

THE GLOBAL NEWSPAPER
Edited in Paris
Printed Simultaneously in
Paris, London, Zurich,
Hong Kong and Singapore

WEATHER DATA APPEAR ON PAGE 18

No. 31,194

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

PARIS, TUESDAY JUNE 7, 1983

ESTABLISHED 1887

White House Awaits Signal From Moscow for a Summit

By Lou Cannon
Washington Post Service

WASHINGTON — President Ronald Reagan's key advisers are waiting for a positive signal from the Soviet Union that they believe could lead to a summit meeting between Mr. Reagan and the Soviet leader, Yuri V. Andropov, within the next 10 months.

The signal, an administration official said, would have to be "substantive," which he defined as something more than the new long-term grain agreement being negotiated with the Russians or the expanded cultural-exchange program under exploration by the State Department.

This official said the Russians could show "genuine willingness"

to improve relations by demonstrating flexibility in the two nuclear-arms reduction talks at Geneva or by "stepping back" in Afghanistan.

Rakes urges Reagan to talk to Andropov. Page 3.

stan or Poland or easing up on military support for Marxists in Central America.

Although the Soviet Union and the United States have engaged in summit propaganda aimed chiefly at European electorates, the Reagan administration's estimate since President Leonid I. Brezhnev's death in November has been that a summit conference in Mr. Reagan's first term is unlikely and probably undesirable.

"We are watching very carefully for a sign, and there are those who think that the Soviets may give us one," an official said. "If this happens, the president would be more than willing to meet with Andropov."

The administration may try to finesse a complex and touchy issue when the United States returns to the bargaining table at the strategic arms reduction talks, or START, in Geneva this week.

The new U.S. proposal will call for using warheads as a measure of the nuclear arsenals of the two superpowers, as advocated by the Scowcroft commission in its recent report. Still at issue is whether the new U.S. proposal should deal with the question of throw-weight, the lifting power of nuclear-tipped missiles, in which the Soviet Union has a large lead.

The question is do you simply want something, a piece of paper, that both parties can sign, or do you want something that can improve the situation?" Mr. Weinberger said. "I don't think it's going to be easy at all, but that's the price we pay for letting that kind of imbalance open up."

Mr. Weinberger returned from a seven-day trip to West Germany, Belgium, and Norway, during which U.S. nuclear policy and European concerns about it dominated many of his discussions with NATO leaders and foreign journalists. He is to attend a National Security Council meeting Tuesday, when President Ronald Reagan is expected to adopt a new position for the negotiations on strategic arms limitation.

The United States is planning to put 572 intermediate-range missiles in five West European nations in what the North Atlantic Treaty Organization says is a response to Soviet deployment of nuclear SS-20 missiles. The U.S. weapons would include 308 Pershing-2 missiles in West Germany and capable of reaching Soviet targets in minutes, and 464 slower cruise missiles, which are low-flying robot airplanes.

During his trip, Mr. Weinberger won a declaration of continued support from most NATO countries for the missile plan, but opposition parties and anti-nuclear groups in several northern countries have been pressing to keep the missiles out of Europe.

Mr. Weinberger agreed that talks would be more difficult because of the kind of meaningfull negotiations." Mr. Weinberger said Sunday. "I hope I'm wrong."

Mr. Weinberger also argued in favor of insisting on throw-weight — the amount of payload a missile can deliver — as a measure of comparison during negotiations with the Soviet Union on intercontinental weapons that are about to resume in Geneva. The Kremlin is almost certain to reject a throw-weight comparison, thus making any agreement on strategic arms unlikely.

Mr. Weinberger agreed that talks would be more difficult because

Top Aide to Head Soviet Probe of Steamer Wreck

United Press International

MOSCOW — The river steamer Alexander Suvorov was wrecked on the Volga Sunday, killing an undisclosed number of people, Tass said Monday.

It said the accident occurred Sunday on the Volga near the city of Ulyanovsk, but gave no other details.

The scope of the disaster was indicated by the high level of a commission named to conduct an investigation. It is to be headed by Geydar A. Aliyev, a full member of the ruling Politburo, who recently was named first deputy prime minister.

Tass said the government was taking steps to "give relief to the families of the dead, and to eliminate the consequences of the wreck."

During his brief speech at the home of Mark Evans Austin, the U.S. ambassador to Norway, Mr. Weinberger was pessimistic about a new agreement before missile emplacement, a view that some of his aides had stated publicly earlier in the week. He also rejected the "walk in the woods" formulation, an informal settlement that was sketched out by the chief negotiators, Paul H. Nitze of the United States and Yuli A. Kvitsinsky of the Soviet Union.

Although that plan has aroused interest in Europe and in the U.S. Congress, Mr. Weinberger dismissed it. The United States would be allowed 300 cruise missiles but no Pershing. The idea also has been rejected by the Kremlin.

Mr. Weinberger was quoted as saying that the rebels had sent a note to Mr. Arafat demanding the formation of a provisional committee to run Fatah's affairs until a new leadership is chosen. They reportedly requested that they be represented equally with Mr. Arafat's supporters in the proposed committee.

The report did not say whether the rebels had asked that Mr. Arafat himself be replaced.

Fatah, the largest of the eight guerrilla factions in the PLO, was founded by Mr. Arafat 18 years ago. He has been chairman in chief of guerrilla forces since 1969.

Mr. Arafat, 54, who has turned down all demands by his opponents, has been trying to enlist the assistance of some Arab governments to shore up his position. He held talks with Saudi officials in Jeddah on Monday. Earlier, he met in Algiers with President Benedicto Chadi of Algeria.

Mr. Chadi stopped in Damascus on Sunday en route to Addis Ababa to attend a meeting of the Organization of African Unity.

The PLO chairman was reported to hold Syria and Libya responsi-

PLO Rebels Reportedly Request Election of New Fatah Leadership

New York Times Service

BEIRUT — In a further challenge to Yasser Arafat, rebels in eastern Lebanon, the main component of the Palestine Liberation Organization, were reported Monday to have asked for the election of a new leadership.

PLO sources were quoted by the Lebanese daily, *al-Nahar*, as saying that the rebels had sent a note to Mr. Arafat demanding the formation of a provisional committee to run Fatah's affairs until a new leadership is chosen. They reportedly requested that they be represented equally with Mr. Arafat's supporters in the proposed committee.

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bility for the split inside Fatah and to want Saudi Arabia and Algeria to use their influence with Damascus to undercut the insurgents.

Mr. Arafat's opponents, who include senior Fatah commanders and political activists, are entrenched in Syria and in Syrian-controlled eastern Lebanon.

Aides close to Mr. Arafat were quoted in the Beirut press as saying that the PFLP-General Command, a guerrilla group backed by Libya's leader, Muammar Qaddafi, was being used to move Libyan arms and ammunition to the Fatah dissidents.

Truckloads of arms were allegedly sent by that group on Sunday to Abu Musa at a base near Baalbek in Lebanon's Bekaa Valley just across the border from Syria.

Abu Musa is leading the opposition to Mr. Arafat. His men fought a four-hour artillery and rocket battle with Arafat supporters outside Baalbek on Saturday in which eight persons were killed and 17 wounded.

A main section of the Baalbek highway, where several guerrilla bases are located, is still blocked by Syrian troops seeking to head off factional clashes. Three guerrilla groups have also formed a joint committee to keep the combatants separated.

The groups are the Popular Front for the Liberation of Palestine, led by George Habash; the Democratic Front for the Liberation of Palestine, a Marxist group

led by Nafez Hawash; and the Syrian-sponsored al-Saqqa.

Invasion Remembered

Shops and schools closed Monday in many parts of Lebanon as a protest to mark the first anniversary of Israel's invasion of the country. Reuters reported from Beirut.

Lebanese troops, fearing student disturbances, moved armored vehicles onto the campus of Beirut's American University and barred reporters. University officials said classes were suspended. Lebanese soldiers earlier broke up arguments between students over last calls to boycott classes, they said.

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U.S. marines, part of a four-nation peacekeeping force in Beirut, reinforced foot patrols in the southern suburbs in expectation of attacks, a marine spokesman said.

An Israeli military spokesman said that rocket-propelled grenades were fired at Israeli positions Sunday night from U.S.-patrolled areas of Beirut, but there were no casualties and the fire was not returned.

The leftist Marabout Radio reported two more attacks on the Israelis — a car bombing in the town of Nabatiyeh and an ambush of an Israeli patrol in the south. But the Israeli spokesman said he had no knowledge of any such incidents.

There were no reports of any strikes in the strongholds of the rightist Christians in East Beirut and the affluent towns along the coastline to the north.

INSIDE

Buenos Aires extremists, linked to a growing number of threats, beatings and, in some cases, killings, may undermine national elections scheduled for October. Page 2.

A young Pole's grave has become the latest symbol of resentment felt by Poles for their government. Page 2.

South Africa's highest-ranking military official discusses plans to prevent the underground African National Congress from intensifying a sabotage campaign. Page 4.

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Norton Simon Inc. is the target of a \$1.65-billion buyout bid. Page 13.

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Egypt's economy. Page 75.

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WASHINGTON — If the National Science Foundation and two scientists it supports plan to prevent the destruction of nearby trees by insects

finding that nearby trees of the same species suddenly began to mount the same chemical defenses even though they had not been invaded by insects. At first, the ecologists thought that the chemical defenses were being transmitted by the damaged trees to the undamaged ones through their roots, but they discovered that this was not the case.

"All the undamaged trees we studied were

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... much too far away to have any root connections with the damaged trees," Dr. Orians said. "The only explanation has to be that there is some airborne chemical released by the trees being attacked to warn the nearby trees that an insect attack is under way."

Dr. Orians said he and Dr. Rhoades had

been unable to identify the airborne chemical

but were about to begin laboratory studies to look for it. With National Science Foundation support, they plan to plant trees in a large greenhouse, attack some of them with tent caterpillars and webworms, and run tubes from the trees under attack to those not being attacked in an attempt to capture the chemicals.

U.S. Scientists Listen In on 'Talking' Trees

Willows, Alders May Use Chemical to Warn of Attacks by Insects

By Thomas O'Toole
Washington Post Service

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Argentine Extremists Stir Unease As Threats and Killings Increase

By Edward Schumacher
New York Times Service

Buenos Aires — Extremist underground groups have been stirring unease here in recent months by resorting to an increasing number of threats, beatings and, in some cases, killings.

An abiding fear is that the emerging violence may undermine national elections scheduled for October by the military government of President Reynaldo B. Bigone. The military, after seven years in power, has promised to step down in January.

The violence remains limited; the capital has a normal police presence in the streets. But the violence appears directed at specific targets.

Many of the victims have been political and human rights activists critical of the government. Most of the rest have been judges and journalists investigating military corruption and the fate of the more than 6,000 Argentines who disappeared.

Youth's Grave Serves As Symbol for Poles

By John Kifner
New York Times Service

WARSAW — The grave of a young man who died after being held by the police has become the latest symbol of resentment felt by many Poles for their government.

Two weeks after the funeral, fresh flowers are still placed regularly over the burial place of Grzegorz Przyryk, spilling over onto three adjacent graves. Scores of votive candles flicker near the pathway to the grave. Draped over the tombstone and scattered among the blossoms are red and white signs inscribed "Solidarity."

On the flowers is a sign: "Please do not sing, but pray in thoughtfulness."

Toward the end of the day, as schools and factories let out, the handful of people staring at the grave swells to a small crowd. On holidays and weekends, the area is jammed with silent mourners.

The makeshift shrine, joining others, such as a floral cross by St. Anne's Church, suggests how the young man's death has affected the nation.

The Polish authorities, at first silent about the incident, have promised "an energetic investigation to expose the whole truth." There are frequent communiques on evening television news, all of which say the investigation is proceeding slowly.

On Thursday, during a sermon for Corpus Christi holiday, the Polish Roman Catholic primate, Cardinal Jozef Glemp, referred to the dead youth by name and said, to the prolonged applause of tens of thousands of people at the outdoor ceremony, that he hoped such incidents would not be repeated.

Mr. Przyryk, 15, was stopped by the police in the Old Town district on the evening of May 12, as he and a group of friends celebrated his passing of high school final examinations. He was taken to a

nearby police station and emerged less than an hour later in an ambulance. Doctors operated on him for more than five hours that Friday night, but he died.

Although there appeared to be no serious bruises or other evidence of beating on his body, medical sources said the youth's kidneys and other internal organs were so seriously damaged that he had no chance of survival.

The youth's mother, Barbara Sawadowska, a poet whose work is well known in Poland, was a volunteer at a church-sponsored committee to aid the families of jailed or interned Solidarity members. Only a week before, she was one of several people injured when a group of undercover policemen broke through the rear door of a convent in nearby St. Martin's Church to raid the committee's offices.

The youth's funeral was attended by about 20,000 people, who marched silently to the cemetery in one of the largest demonstrations in the capital since the imposition of martial law nearly 18 months ago.

The Polish press agency, PAP, carried a report that the interior minister, General Czeslaw Kisielow, whose duties include responsibility for the police, visited the Andrzej Frycz Modrzewski Secondary School last week. The press agency did not mention, however, that this was the school attended by the dead youth.

Andropov Links Baltic To Nuclear-Free Zone

By John F. Burns
New York Times Service

MOSCOW — Yuri V. Andropov, the Soviet leader, Monday renewed a long-standing Soviet proposal for a nuclear-free zone in Northern Europe and said that the proposal could be extended to include the Baltic Sea.

Mr. Andropov, speaking at a banquet for the visiting Finnish president, Mauno Koivisto, after he and Mr. Andropov had signed an agreement extending for 20 years the treaty of friendship and cooperation that has governed relations between Finland and the Soviet Union since 1948. The treaty has been the basis of the generally uncritical stance that the Helsinki government has adopted toward Moscow.

The occasion for reviving the proposal was a Kremlin dinner honoring Mr. Koivisto after he and Mr. Andropov had signed an agreement extending for 20 years the treaty of friendship and cooperation that has governed relations between Finland and the Soviet Union since 1948. The treaty has been the basis of the generally uncritical stance that the Helsinki government has adopted toward Moscow.

The Soviet proposal for a nuclear-free zone for the Nordic countries is at least 25 years old but has failed to attract the endorsement of the Danish, Norwegian and Swedish governments, at which it is principally aimed. The Finnish government has supported the idea since Mr. Koivisto's predecessor, Urho Kekkonen, first advanced it in 1963.

In his speech Monday, Mr. Andropov attempted to meet two of the major objections of opponents of the Soviet proposal. One has been that the Soviet formulation did not include the Baltic, which is patrolled by Soviet vessels with nuclear armaments. Another was the absence in the original proposal of any provisions for removing Soviet nuclear weapons from land areas of the Soviet Union adjacent to the Baltic Sea.

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SPECIAL MASS — A Swiss Guard stood by at the Vatican as thousands of sick and invalid people waited in St. Peter's Square for Pope John Paul II, who celebrated a special Mass for them on Sunday along with 12 ill or disabled clergymen.

WORLD BRIEFS

Iraq Warns It Will Strike Tankers

MANAMA, Bahrain (AP) — Iraq warned Monday it would launch more forceful strikes against ships calling at Iranian ports and said it would not bear any responsibility for oil pollution from tankers sunk by its planes.

In a memorandum to the Kuwait-based Regional Organization for the Protection of the Marine Environment, the head of Iraq's environmental agency also said that Iraq would not bear any cleanup costs within the organization as a result of the possible "hitting" of Iranian oil wells or installations.

The warning, circulated by the Iraqi news agency, was issued as Gulf environmental officials said they expected seasonal southward winds to start blowing the main body of a huge Iranian oil slick toward the coast of Saudi Arabia, Bahrain and Qatar.

U.S. Nuclear Waste Plan Upheld

WASHINGTON (UPI) — The U.S. Supreme Court Monday unanimously reversed a lower court and upheld the government's controversial assumption that no dangerous radioactive waste will escape from eventual permanent storage sites used for nuclear fuel — sites that must remain isolated for 250,000 years.

The decision overturned a ruling last April by the Court of Appeals for the District of Columbia, which directed the Nuclear Regulatory Commission to consider the environmental impact from disposal of nuclear waste before licensing power plant reactors.

Writing for the court, Justice Sandra Day O'Connor said the regulatory agency's zero-release assumption for hypothetical burial in salt mines is neither arbitrary nor capricious, and follows requirements of environmental laws.

U.S. Set to Buy Dioxin-Hit Town

EUREKA, Missouri (AP) — City officials in Times Beach, Missouri, have agreed to take title to the dioxin-contaminated town, clearing the last legal hurdle before the U.S. government begins a \$33.5-million purchase of the community, which is nearly deserted.

The government action marks the first time an entire U.S. town has been condemned and purchased because of hazardous waste. The purchase plan, announced in February by the Environmental Protection Agency, had been stalled by a disagreement over who would take title to the town.

Dioxin was oil sprayed on Times Beach roads in the early 1970s to help control dust.

Debt Written Off, China Joins ILO

GENEVA (Reuters) — China returned to the International Labor Organization on Monday following a vote to write off a debt of \$36 million in unpaid contributions.

China was represented by Taiwan from 1949 to 1971, but Beijing's claim to the seat, recognized by the United Nations in 1971, was made only last August when the ILO annual conference decided to readmit China.

Jean-Jacques Oeuchim, an employers' spokesman, protested that there was no legal basis for writing off China's debts, particularly while poor countries, such as Chad, got no debt relief.

Russian Disputes Figures on Jews

MOSCOW (AP) — A member of the Soviet Union's newly founded Anti-Zionist Committee indicated Monday that Jewish emigration would stay at its present record low levels because most Jews "who want to leave have left the country."

Replies to a Western reporter's question, Samuel Zivs, deputy chairman of the committee and a prominent Soviet lawyer, dismissed Western and Israeli figures showing that scores of thousands of Jews still want to leave the Soviet Union as "a specially designed campaign" aimed at painting the Soviet Union in a bad light. The Anti-Zionist Committee was set up six weeks ago in response to an appeal by a group of prominent Soviet Jews.

Last year 2,688 Jews left the Soviet Union, according to the New York-based National Conference on Soviet Jewry, compared with a high of 51,320 in 1979.

Veterans and Envoys Mark D-Day

CAEN, France (UPI) — Several hundred veterans joined ambassadors of Western nations Monday in ceremonies marking the 39th anniversary of D-Day, when the Allies landed on the beaches of Normandy, organizers said.

Veterans from France and other Allied countries paid tribute in the morning to soldiers who died in the landings. The veterans attended a service at the cathedral in Bayeux, five miles (eight kilometers) inland, and Western ambassadors laid wreaths at the British cemetery in the town.

Raymond Triboulet, the first prefect to be named after de Gaulle's return to France, said Monday, "When this anniversary is commemorated, it is Western public opinion as a whole that relives a glorious but bloody military exploit and seeks to understand the lessons to be drawn."

Greens Ask German Missile Vote

HANNOVER, West Germany (AP) — The anti-nuclear Greens party has called for a national referendum on whether the North Atlantic Treaty Organization should deploy new missiles in West Germany later this year.

The Greens, originally formed as an environmentalist party, have vowed to stop deployment of the nuclear missiles through political opposition, protest marches and hunger strikes if necessary.

There was some debate on the issue Sunday at the close of a two-day party convention, with one faction arguing that if the voters approved the deployment it would leave little room for further efforts.

200 Flee High-Rise Fire in India

NEW DELHI (UPI) — A fire at a 13-story office building here Monday trapped 200 people temporarily and killed a fireman who was battling the blaze with ineffective equipment.

Many of the office workers stranded on the roof climbed to safety across ropes strung to a neighboring building while others braved smoke to flee through the ground-floor exits.

Firemen were hampered in the rescue operation because water from their hoses reached only to the seventh floor and ladders reached only the 11th floor.

Syria Rules Out a Visit by Shultz

DAMASCUS (AP) — Culture Minister Najah Attar said Monday that Syria would not receive Secretary of State George P. Shultz if he visited the Middle East and that not even war would bring Syria to evacuate its troops from Lebanon.

The minister, in a lengthy commentary published in the daily newspaper Tishrin, said that the government would negotiate the withdrawal of Syrian troops from Lebanon only if the Lebanese government abrogated its troop withdrawal agreement with Israel.

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D BRIEFS

Will Strike Tank

aste Plan Upheld

Dioxin-Hit Toxins



VICTIMS REMEMBERED — A Salvadoran farmer mourns at the grave containing the bodies of two relatives killed by guerrillas at Tenancingo.

Baker Urges Reagan To Talk to Andropov

By David Treadwell

Los Angeles Times Service

WASHINGTON — The Senate majority leader, Howard H. Baker Jr., says he is opposed to sending U.S. troops to Central America because the conflict there "will be decided in Moscow and Washington" and not in San Salvador and Hanoi.

In a television interview Sunday, the Tennessee Republican urged President Ronald Reagan to engage in a "meaningful conversation" with the Soviet leader, Yuri V. Andropov, about Central America and arms control, saying that the two leaders "owe the obligation to the rest of the world to get together and to get to know each other."

The Republican leader said he felt that a meeting between Mr. Reagan and Mr. Andropov was inevitable and that "it's maybe once again a time of opportunity for us to know Andropov at a time before the power structure is fully set" in the Soviet Union after the death of Leonid I. Brezhnev.

At the same time, Senator Baker said he opposed withdrawing the assistance the United States is providing to El Salvador in the form of military trainers and logistical support, declaring that "it would be unacceptable if we did anything else." He added that the United States should perhaps send additional U.S. trainers to El Salvador.

"We simply cannot stand by and

Bulgarian Visits Ankara

Reuters

ANKARA — President Todor Zhivkov of Bulgaria arrived Monday in Ankara for a four-day official visit to discuss regional developments, Balkan cooperation and bilateral relations.

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JULY 1983

Salvadorans Doubt Elections Can Be Organized This Year

By William D. Moncada

Los Angeles Times Service

SAN SALVADOR — Citing economic and organizational problems, Salvadoran political leaders say that it is unlikely that a national election can be held here later this year as the United States would like.

In interviews, leaders of major parties said that a working consensus for an election to be held in November had dissolved and that next March seemed a more realistic date.

Ricardo Maida, a nonpartisan lawyer who is the new head of the Central Election Commission, broke the news Friday to the U.S. special presidential envoy, Richard B. Stone.

"I told him we can't get truly started without money, and that it will take six months to organize the election well once we get it," Mr. Maida said. "It would be fatal to do it poorly. Stone promised me that the money will be forthcoming."

Earlier this week, U.S. Ambassador Deane R. Hinton spoke of an election in "six to eight months" if the election cannot be held in early November, the preferred date among Salvadorans is March, because in the intervening months cash crops of coffee, cotton and sugar are harvested amid large-scale movement of workers.

An early, broad-based national election for president is the centerpiece of U.S. policy in El Salvador.

Mr. Stone's mandate is to encourage participation by the insurgents. They have refused overtures, citing a lack of guarantees and the refusal of the Salvadoran government to negotiate without prior conditions.

The Reagan administration believes that the election will demonstrate El Salvador's commitment to democratic reform and isolate guerrillas who refuse to participate.

The Salvadorans had originally wanted the election next March,

two years after a massive vote for a Constituent Assembly that has proved the most conspicuous success of U.S. foreign policy here.

On a visit last spring before being named to his current post, Mr. Stone pressured interim President Alvaro Magaña into announcing that an election would be held before the end of the year.

The Americans pushed to advance the date and offered all sorts of help — but it has been slow in

coming," Julio Rey Prendes, secretary-general of the Christian Democratic Party, said. "There was an agreement for the elections on second Tuesday in November, but I don't see how we can make it. I'm afraid there will be no elections until March."

Hugo Barrera, secretary-general of the rightist Republican National Alliance, which is the Christian Democrats' most important rival, said: "The electoral machinery hasn't even started and we don't know why. A lot of things are not clear yet but it is certainly doubtful there can be elections in November as we had hoped."

Hugo Carrillo, the first vice president of the Constituent Assembly and a spokesman for the Party of National Conciliation, a moderate rightist group, said that insufficient time remained to schedule the election before the end of the year and that his party preferred March.

Both the nature and the scope of the election are still in question.

While the United States is principally interested in the domestic and international impact of electing a president, the parties themselves are as concerned with their internal standing.

There are even divisions within individual parties over whether the election should include voting for national legislators and mayors, Mr. Prendes said.

Cuba, Denying Rights Violation, Reports Sabotage Ring

By Edward Cody

Washington Post Service

HAVANA — The affair started with an obscure report that five Cubans were condemned to death for trying to start a Solidarity-style independent labor union.

Three months later, it remains unclear what happened to the five Cubans, but in the meantime President Fidel Castro's government has been pushed into a startling admission that a major anti-government sabotage ring has been burning Cuban fields and shops.

The United States, in attempting to make the case a human-rights issue, argued an embarrassing demonstration of its isolation among its allies diplomats in Havana.

However, the Cuban government later felt compelled to make the extraordinary admission that sabotage continues in the Cuban coun-

tryside more than 24 years after the revolution, perhaps a more significant point than the original report of independent union agitation.

At first, the most reliable reports indicated a labor disturbance broke out in January at a sugar factory in Artemisa, 30 miles southeast of Havana, after a driver was dismissed. A ruckus and perhaps a factory occupation ensued, and somebody may have shouted about a new union during a confrontation with police. There were reports of death sentences.

The chief of the U.S. interests section in Havana, John Ferch, said yesterday that Cuban officials already were part of the American plan.

"Join with the United States for a demarcate here?" asked a European diplomat. "It was madness, a stupidity."

Mr. Ferch nevertheless made

unilateral representations to Ricardo Alarcon, the deputy foreign minister, during the third week of April. Italy reportedly brought up the subject in Rome, and the French ambassador, Pierre Desamps, warned Cuban officials that journalists in town with a visiting French minister would probably be asking about it.

About a week after Mr. Ferch

saw Mr. Alarcon, the original charges were picked up and amplified by the International Confederation of Free Trade Unions in Brussels. The group, the major anti-Communist labor federation, said the five death sentences had been committed to 30 years in prison, but four Cuban lawyers were arrested for defending the suspects too vigorously.

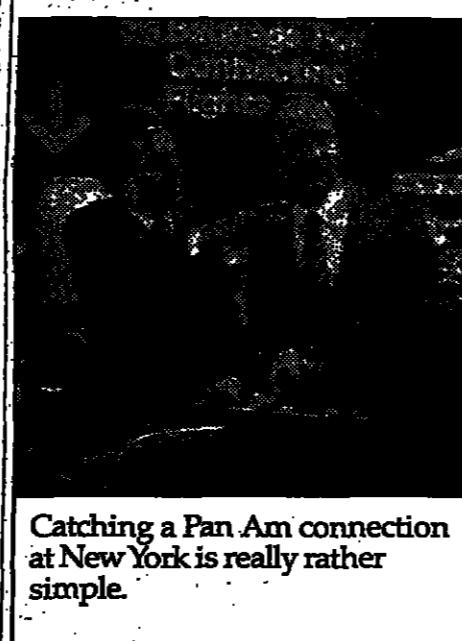
This apparently prompted the Cuban government to reply. Vice

President Carlos Rafael Rodriguez told visiting French reporters that the five had never been condemned to death, nor had they tried to form a new union and that the lawyers were arrested in a separate case.

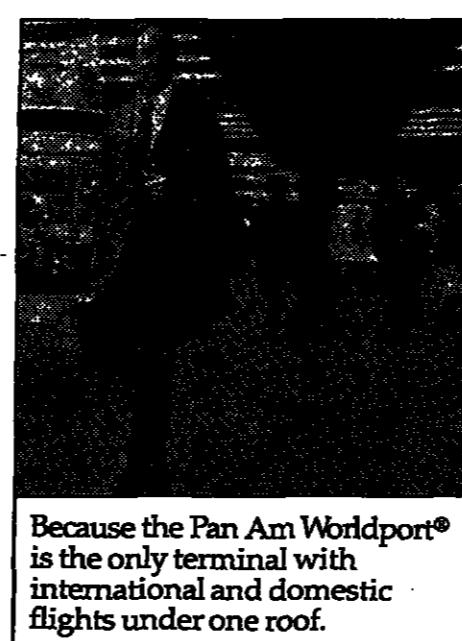
Then came a more startling revelation: Roberto Veiga, secretary general of the Cuban Workers Central, wrote on May 13 to the Communist-oriented World Federation of Trade Unions in Prague that the real number of those jailed was 33 and others had been arrested. The 33 were convicted of "numerous and continuous acts of sabotage" and "preparation for large-scale acts of sabotage" and "preparation of assassination attempts against the country's leaders," he added.

"Thus there is not the slightest case of violating human rights, and even less a case of violating union rights," Mr. Veiga contended.

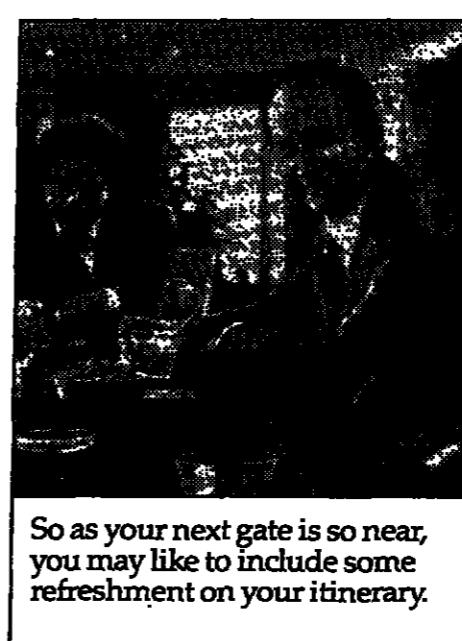
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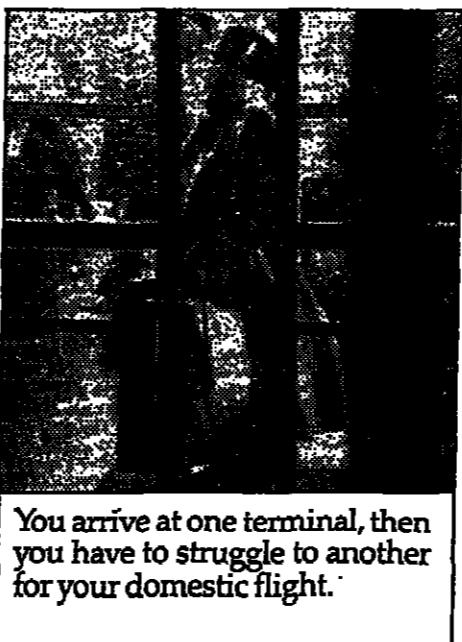


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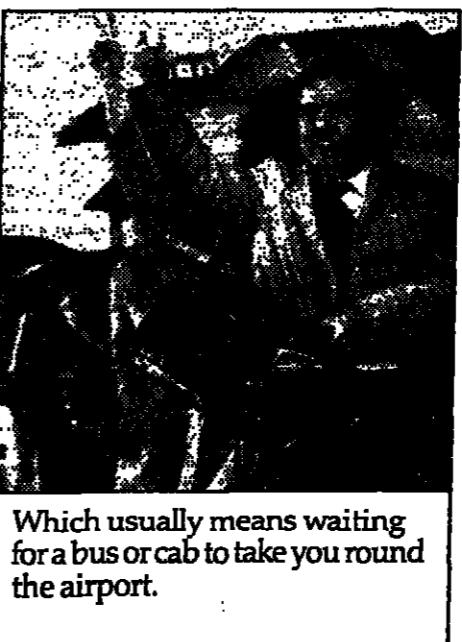
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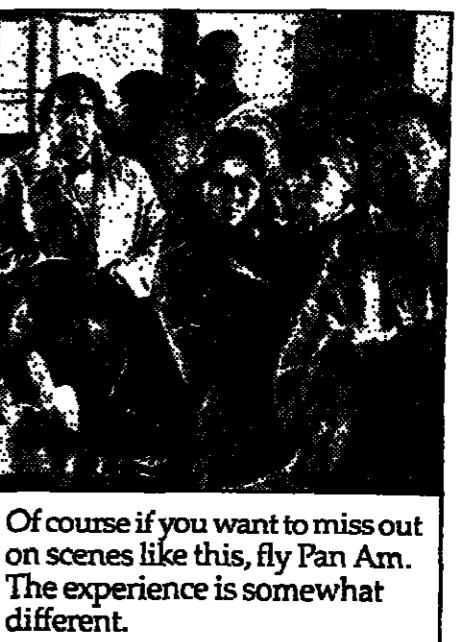
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He Vljoen

South African General Says Diplomatic and Military Moves Can Block Sabotage

By Joseph Lelyveld
New York Times Service

JOHANNESBURG — South Africa's highest-ranking military official says he believes it will be possible to prevent the underground African National Congress from intensifying a sabotage campaign in South Africa by shutting the group's military wing out of neighboring black nations.

The official, General Constant Viljoen, the chief of the Defense Force, said this isolation could be accomplished through military and diplomatic pressure.

"They will be able to have single incidents, but they will not be able to sustain a high intensity of operations for a long time," the general said.

General Viljoen's assessment of the security situation in the aftermath of the car bomb explosion two weeks ago that killed 19 persons and wounded nearly 200 came in an interview at military headquarters in Pretoria, about half a mile (a kilometer) from the scene of the blast.

The 49-year-old officer, who has commanded his coun-

try's armed forces for nearly three years, indicated that the test for the relations South Africa wants with its neighbors appeared to be their attitude to the African National Congress. Asked if the movement would be stopped dead in its tracks if its military wing were effectively barred from neighboring black nations, he replied: "I think so. Oh yes. I wouldn't say dead in their tracks, but they would just not be able to operate. If we deny them bases in all our neighboring states, either through the cooperation of the states themselves, which we hope will be possible, or by means of military action against their bases, then they have only two ways to come in, by air or by sea. It makes it almost impossible for them."

There seemed to be an undertone of fervor in his voice whenever he returned to the theme that the Soviet Union was responsible for all the major conflicts southern Africa has seen in the last decade, including the collapse of colonial Portuguese rule in Angola and Mozambique as well as the fall of the white minority regime in Rhodesia, now Zimbabwe.

Consistent with his thesis that the Russians had "hi-

jacked" the region's "freedom movements" — a descriptive term he used without apparent self-consciousness — General Viljoen said that he interpreted the car bomb explosion as a "stepping up of the initiative of the Russians in southern Africa."

He readily acknowledged that the authorities, who years ago started branding the underground's activists as "terrorists," had been "surprised" by their readiness to risk high civilian casualties in their attack outside an office building in the center of Pretoria that housed the air force command.

"We didn't expect them to really go to such indiscriminate bombing as they did in the case of the car bomb," he said, vowed that the armed forces "will certainly not present the same concentrated number of soldiers in such a position again." Asked what proportion of the casualties had been associated with the armed forces, he replied, "Well, it's very close to half."

In a statement from its office in the Zambian capital of Lusaka the day after the explosion, the African National Congress said it would continue to strike at "those

who have chosen to serve in the enemy's forces of repression."

General Viljoen was skeptical of the movement's ability to carry out that threat. "I think one of the main problems of the ANC is that of coordination," he said. "When they send teams in, they don't tell them about the other teams; they don't have contact inside the country between teams."

But he did not attempt to minimize the damage the sabotage campaign has done in 80 attacks, by his tabulation, since the start of 1981. "They have gained success in that it certainly is expensive," he said.

The explosion, he maintained, supported South Africa's charge that the African National Congress has links to "other international terrorist organizations." For evidence, he mentioned documents the Israelis unearthed in the Lebanese city of Tyre during their invasion last summer. "There was some contact — I wouldn't say training — but surely some contact in briefing and advice given by the PLO to the ANC," the South African commander declared.

For all his stress on Soviet manipulation of the region's conflict, General Viljoen was prepared to concede that black movements, including the African National Congress, had their own aspirations. "I always say that our security problem has two legs," he remarked, "one leg being the black nationalist problem and how we are going to deal with this." That was a matter for the politicians, he indicated, adding in an apparent reference to the nervousness of the white electorate, "The democratic system is a

little bit expensive."

"The other leg is the Communists, mainly the Russians, and I think that is the dangerous one," he went on.

As many Afrikaners in power do, the general based his judgment of what the region's blacks really want on his own childhood experiences on a farm. "I've played with them as a child," he said. "I've grown up with them, I still like them, I get along with them. No problems. And I firmly believe that our black people and the black people of Africa are not Communist-inclined nor Marxist-inclined."

Namibia Issue Is Seen As Reagan Policy Test

By John M. Goshko
Washington Post Service

WASHINGTON — The Reagan administration, seeking a foreign policy victory to demonstrate the validity of its tough line on communism, has mounted a new, high-level attempt to win independence for South-West Africa (Namibia) and force the withdrawal of Cuban troops from Angola.

That, senior U.S. officials said privately, was the principal reason for Secretary of State George P. Shultz's meetings Thursday in New York with the foreign ministers of eight black African countries and with Sam Nujoma, leader of guerrillas battling for control of the predominantly black territory, which has been governed by South Africa for 63 years.

U.S. officials believe that most of the problems associated with Namibian independence, including provisions for elections and UN supervision after a South African withdrawal, are close to resolution and that only a parallel accord on Cuban in Angola stands in the way of South Africa's agreement to stand aside.

Angola's interior minister, Manuel Alexandre Rodrigues, regarded as the second most powerful person in the government, discussed the situation with Mr. Shultz in Washington recently. Immediately afterward, President José Eduardo dos Santos went to Moscow for talks that U.S. officials believed were centered on reaching an accommodation about the Cubans.

France and, to a lesser extent, Canada have strong reservations about linking the issues of Namibia and Angola. And the British and Germans, while more neutral, have made clear that the linkage is exclusively a U.S. idea. As a result, although the contact group still officially exists, the other members have basically ceded to the United States all responsibility for seeking a solution next to the Cuban presence in Angola.

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The black Africans reject this linkage. Now, however, administration policy-makers, encouraged by what they regard as hints of flexibility from Angola and the black African states, hope that they are near a double-barreled diplomatic coup.

An agreement to withdraw Cuban troops from Angola would buttress Mr. Reagan's claim that toughness and resolve are the way to check the spread of communist influence.

In addition, an equitable agreement on Namibian independence after years of frustration would allow the administration to argue that its approach also serves Third World interests and aspirations.

Pursuit of this approach has caused considerable strain in the

United Press International



FREED IN SPAIN — A Spanish banker, Diego Prado de Colon y Carvajal, center, was assisted by his brother and wife after being released by Basque separatists near Madrid. He was held for ransom for 73 days. His family, one of the most aristocratic in Spain, would not say if a \$9.3-million ransom demand had been met.

Zhao Balances Policy Between U.S., Soviet

By Michael Wcisskopf
Washington Post Service

BEIJING — Prime Minister Zhao Ziyang played different sides of the strategic triangle Monday, calling separately on Washington and Moscow to satisfy Chinese demands if either wants better relations with the world's most populous nation.

The call, which came in Mr. Zhao's government report to the U.S. Congress, passed a law requiring enough arms sales to Taiwan to ensure its defense.

Mr. Zhao said that as a condition for better relations, the United States had to arm sales to Taiwan and that the Soviet Union reduce its military forces along China's borders.

Shortly after Washington shifted its recognition to Beijing in 1979, the U.S. Congress passed a law requiring enough arms sales to Taiwan to ensure its defense.

Mr. Zhao said that as a condition for better relations, the United States had to arm sales to Taiwan and that the Soviet Union reduce its military forces along China's borders.

As a high-level digest of Chinese foreign policy, however, the speech neatly embodied Beijing's strategy of gaining maximum leverage against both superpowers by maintaining equidistance from them.

"The superpower contention for world hegemony is the main source of turmoil in the world today," Mr. Zhao told delegates of the National People's Congress. "The Chinese government takes opposition to hegemonism and safeguarding of world peace as the basic point of its foreign policy."

Other points, Mr. Zhao urged stronger national defense, championed Third World causes and called for better ties with Japan and the nations of Eastern and Western Europe.

But the prime minister focused his greatest attention on Washington and Moscow. In its current balancing act, China has softened its rigid hostility toward the Soviet Union while dropping its strategic cooperation with the United States.

Mr. Zhao noted that "some developments" had taken place in Chinese-American relations since diplomatic ties were established in 1979, but he said, "The first step to be taken is for the Soviet side to remove the real threat to Chinese security."

Mr. Zhao's address began the sixth congress of China's nominal parliament. The congress will be in session for about two weeks.

Gandhi Seen Losing Vote In Kashmir

Compiled by Our Staff From Dispatches

Srinagar, India — Early election returns Monday suggested that Prime Minister Indira Gandhi's party would not gain control of the state of Jammu and Kashmir, where six persons were killed and more than 170 were injured in violence during weekend balloting.

The death toll rose to seven on Monday with the death of a man injured in a clash Sunday in Handwara, 40 miles (64 kilometers) northwest of the state capital of Srinagar, United News of India said.

Fifty thousand troops were posted at polling places. There was sporadic violence between election workers in Mrs. Gandhi's Congress-I Party and the National Conference Party, which was seeking another six-year term after ruling the state for eight years.

Police fired into the air to disperse followers of rival political parties in the town of Chadura and internal, where about 150 people were reported injured. The towns are near Srinagar, about 400 miles northwest of New Delhi.

Twenty-seven persons were injured in towns in the Poonch district, state officials said.

Mrs. Gandhi campaigned personally for her party in the predominantly Muslim state. Congress-I Party candidates were ahead in the Jammu area, where Hindus are in the majority.

Difficulties over the Western Sahara, an issue that has complicated OAU business for several years, resurfaced Monday as delegates gathered for a summit seen as crucial to the organization's survival.

The failure of the two previous summits in Tripoli deprived Colonel Qaddafi of the yearlong chairmanship he was to take over from President Muammar Arab Moi of Kenya. Mr. Moi's mandate has had to be extended because of the organization's paralysis.

At the second unsuccessful OAU session in November, Colonel Qaddafi told delegates that there could be no future meetings that did not include Polisario's Saharan Arab Democratic Republic.

He also said that no further summit session could be held that did not include Libya's allies in Chad, the Provisional National Unity Government of Goukouni Oueddei. Mr. Goukouni was forced from power by President Hissene Habré a year ago.

Mr. Habré's administration is recognized by an overwhelming majority of OAU states because it controls the capital, Ndjamena, and Mr. Goukouni's army, backed and armed by Libya, is advancing south from bases near the Libyan border toward central Chad, according to diplomats in the region.

DEATH NOTICE

ADDIS ABABA, Ethiopia — The Organization of African Unity's twice-abandoned 19th summit failed to open on schedule Monday, and Libya said deep divisions over the Western Sahara might prevent the session from taking place.

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cording to diplomats in the region.

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commander of the Legion of Honour,

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EMILY SLOANE DE LA GRANGE

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Sister of

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HENRY LOUIS DE LA GRANGE

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Controller 'Talked Down' Burning Jetliner With Minimal Data, He Got Plane From 33,000 Feet to the Runway

By Douglas B. Feaver
Washington Post Service

CINCINNATI — Gregory Karam, the air traffic controller who talked Air Canada's smoldering Flight 797 to the ground Thursday night, said that he thinks any controller could have done the job.

"It was simply a matter of chance," Mr. Karam said Sunday, that he had been on duty in the radar room at the Greater Cincinnati Airport tower when he found himself sharing with the pilot, Donald Cameron, responsibility for the plane.

"There's no question in my mind all the others here would have done as well," said Mr. Karam, 36, who has been an air traffic controller for nine years.

Eighteen passengers and all five crew members survived after the plane descended rapidly from 33,000 feet (10,000 meters) to the airport in suburban Kentucky. Investigators are concentrating on an electrical problem as the possible

cause of the fire that killed the 123 passengers.

In a telephone interview Sunday monitored by the Cincinnati tower chief, Mr. Karam said that most of the plane's navigational instruments had failed or had been obscured by thickening smoke. Thus, the pilot could not guide the plane to a specific compass heading.

Mr. Karam told Mr. Cameron to "turn right." Mr. Karam followed the turn on the screen until it was headed in the correct direction, then told him to "hold." He guided Mr. Cameron through four turns to align the plane with the center of the runway.

Mr. Karam did not join 11,400 other air traffic controllers when they struck in August 1981 and were fired by President Ronald Reagan. He said he had never been a member of the union, the Professional Air Traffic Controllers Organization.

The flight was en route from Dallas to Toronto and was 25 miles (40 kilometers) southwest of the Cincinnati airport at the time the fire was reported to the regional air traffic control center in Indianapolis.

Mr. Karam alerted fire and rescue teams and told other controllers what to expect.

When Mr. Karam started talking to Flight 797, a crew member told him that the only instruments he had were a gyro horizon, which tells whether a plane is going up or down, and an altimeter.

Mr. Karam said he had planned

to bring the plane in due north on Runway 36. But when the crew told

ARTS / LEISURE

Princeton and Its WritersBy Glenn Collins
New York Times Service

PRINCETON, New Jersey — Princeton has had a certain popular association with things literary ever since F. Scott Fitzgerald praised the New Jersey town this side of paradise for its "lazy beauty" in the 1920s, and John O'Hara motored around the place exhibiting his JOH-I license plates. But rarely has Princeton had such an interesting community of writers in residence. Well, pretty much in residence; they do tend to travel a lot.

Carlos Fuentes, who moved there in 1978, is back, but leaving again in August to go back to Mexico. Hardly anyone has a sense of where John McPhee or his family are — is it Italy? — but they'll probably be coming back to the United States soon. Now that her students are taking exams, Joyce Carol Oates is writing a bit more out at the glass house in the woods. As for Peter Benchley, well, everyone has seen him striding to his Nassau Street office to brave the jaws of the typewriter. And Adam Smith? Naturally, he's having a few of the best people over to discuss the money game.

"Throw a stone in Princeton and you'll hit a writer," said John McPhee, a New Yorker writer and Princeton resident. The stone thrower would need to have a fairly good arm in the case of McPhee, however, reached in Bellagio, Italy, where he was working at a sort of four-star MacDowell Colony in the Lombardy lake district.

"You could envision an ideal city for a writer," said Fuentes, one of Mexico's foremost novelists, author of "Terra Nostra" and other works. "It would have the weather of Puerto Rico, the street life of Paris, the theaters of London, the nerves of New York and the tranquility of Princeton."

"Princeton is ideal for me," said

Joyce Carol Oates, who began teaching writing at Princeton five years ago. "Fitzgerald quotes are inappropriate to any description of Princeton now. Things have changed so much. The old Princeton was a terribly racist and anti-Semitic town."

She is writing a novel about that Princeton. "It's about the real Princeton, back in 1905 when Woodrow Wilson was president," she said the other afternoon at Lahiere's restaurant on Witherspoon Street. Might she write about the Princeton of 1983? "Not till I left Princeton — if then," she replied. "I'd find it very difficult to focus on any one aspect of Princeton — it's so complex."

The complexity is a function of the town's social fields. "I once had the idea of working on something called 'Six Princeton,'" said McPhee. "I would have been about the six utterly different worlds I inhabited in Princeton, worlds that never overlapped."

Among them were the social worlds of town and gown, the Institute for Advanced Study and the Princeton Theological Seminary.

McPhee is the ultimate townsie, a university medical doctor. McPhee attended Princeton and now teaches nonfiction writing to undergraduates in the building that was once his grade school. "From a university faculty family I looked around with some puzzlement at all these zones of people who didn't know each other," he said.

"I always think of Princeton as something from Trollope," said Betty Fussell, the biographer of the actress Maureen O'Hara. Fussell moved to Princeton in 1958 and lived there 24 years until she separated from her husband, the writer Paul Fussell. "Princeton is still a 19th-century town," she said.

"Think of the landed gentry, the new money, the academics from the university and the institute, among others: a multiplicity of tight little clubs. The whole game is your status at the moment. There is the infinite jockeying that accompanies any Trollope novel."

Princeton writers rarely band together, though when state legislators passed a law in 1976 that would have taxed authors' royalties, they howled and the rules were redefined. One meeting ground is the tennis court — writers make great tennis partners because they're available at odd times — but there is no Elaine's here, no public hangout for writers. Or anyone, for that matter. "In Princeton, 90 percent of the socializing takes place behind closed doors," said Paul Fussell.

The writer John O'Hara was cut dead by much of social Princeton, and most writers remain invisible to those in the town's old moneyed families — who aren't terribly visible themselves.

"If people ask what you do, then Princeton is not a very good place to live," said Peter Benchley during a stroll along Library Place. After "Jaws," when Benchley achieved a measure of notoriety, Princeton's attitude was steady: "No one here was awed by that kind of two-bit celebrity," he said. Mere fame doesn't amount to much in a hamlet where five Nobel Prize-winners do their grocery shopping.

"There is no one tall tree here," said Alan Williams, editorial director at the Viking Press. The novelist E.L. Doctorow, who taught in Princeton after "Loon Lake" appeared in 1980, valued the town's sophistication. "I must say I was not unduly harassed, or used, or exploited," he said.

But there is sophistication and sophistication. "In Princeton, if



Carlos Fuentes

you mispronounce a word, someone will correct you immediately," said Arnold Roth, the cartoonist for Punch and Esquire who has lived there for 20 years. Fletcher Knebel, whose books include "Seven Days in May" and "Seven Camp David," praised much in Princeton, as did Roth, but found the toll of status competition ever palpable.

"Tension permeates the town," said Knebel. "At parties, it can be gossipy. Of late, some of the party conversations, when they cease to consider the esthetic of Brooke Shields' arrival on campus next fall, are doomsday discussions about development and encroachment that have changed Princeton's character. "I used to live in a country town next to a university, and now it's on the cusp of turning into suburbia, like Greenwich, Connecticut," said Adam Smith (George J.W. Goodman) in real life, author of "The Money Game." "I don't think it's fully appreciated how fragile the intellectual ecology is and what perils prosperity may bring."

Writers as disparate as Philip Roth and Randall Jarrell have passed through Princeton, but they haven't always relished the privilege. "At 9 P.M. in Princeton it was totally dead. I mean, it was like being in Putnam, Texas," said Larry L. King, Fermil Professor of Journalism in 1973, who lived on Lake Lane five years before his play "The Best Little Whorehouse in Texas" came to Broadway.

The novelist Anthony Burgess loathed the place. "Just about the only pleasure I got in Princeton was leaving each week and going to Columbia University to teach creative writing to the students there," said Burgess, who now lives in Monaco.

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The novelist Anthony Burgess

Tastings, Elitism and PétrusBy Frank J. Prial
New York Times Service

NEW YORK — There is a touch of exclusivity about fine wine, a tendency to be patronizing and elitist when describing bottles no one else will ever taste.

Take, for example, a tasting held here recently: 12 vintages of Château Pétrus, beginning with 1979 and going back to '61. It was an extraordinary tasting, but so small is Pétrus and so sought-after is its wine that there is never very much of it around. Some older vintages have disappeared, and only two or three bottles of the '62 vintage are left in the chateau's cellar.

Some experts say Pétrus is the greatest of them all: better than Lafite and Latour and the rest of that crowd; better, even, than the most august of the Burgundies, Chamberlin, Romanée-Conti, Sutton. Greatness, of course, is subjective to fashion as everything else. At the moment Pétrus is not just a very fine wine; it is also fashionable, as recent prices attest. The 1978 sells for about \$100 a bottle, about \$10 more than Lafite and \$40 more than Mouton.

Pétrus is uncontestedly the greatest wine made in Pomerol, a district 30 miles from Bordeaux that most Bordelais have never seen and many people confuse with Pommard, in Burgundy. With only 30 acres in grapes, Pétrus is also one of the smallest of the great Bordeaux vineyards. Château Lafite-Rothschild, which is not particularly large, has 200 acres. Château Mouton-Rothschild 175. Only the well-heeled wine enthusiast can think of buying recent vintages of Pétrus and only a select few are ever going to get near any of the classic vintages.

The dilemma is particular to wine lovers. The Austrian pianist Alfred Brendel has been performing all 32 of the Beethoven piano sonatas. An extraordinary musical event, but one quite a few music lovers have been able to go to hear. Even if they can't, the sonatas will always be available — other concerts, other pianists, records.

With the exception of a few famous private collections, great art is eminently available too. Lovers of Romanesque architecture may have to go to France to indulge their passion, but once there they can indulge it endlessly. Great books, too, are within the reach of just about anyone interested in them. It is presumptuous to put wine on the same plane as music and art, but, after all, it is one of the more refined preoccupations available to us. It just isn't available to enough of us.

Having assumed the curmudgeon role here, I'll take it one step further and confess to a tinge of sadness at seeing those rare bottles sacrificed to a clinical tasting, even one that cost each guest \$150. If only, having experienced them, the tasters could have rushed into the streets to buy more. But the bottles were true rarities, so I couldn't help but think, as I got my ounce or two of each one, how great it would have been to enjoy one full bottle with a meal or a piece of cheese.

Is it better to have a couple of sips of a legendary wine than none at all? Of course. But there is the feeling that those bottles were meant to go out more gloriously than they did.

What then, of life's unfortunates, the poor souls who cannot or who, for some stubborn reason, will not lay out \$90 for a bottle of table wine? Is there life without Château Pétrus? Yes. There are even other Pomerols. It is a small community, but it is almost all vines. Though no one has officially classified the wines of Pomerol, there are about 145 chateaux, with Pétrus at the top and 19 other properties, including Gazin, Nérin, La Consillante, Lafleur-Pétrus, Latour-Pétrus, L'Evangile, L'Angélus, Trotanay and Vieil-Château-Certan, considered the principal growths.

The chateaux of Pomerol bear no resemblance to the baronial manors and medieval keeps of the Médoc and Sauternes. At best the Pomerol chateaux are modest country homes; some are simply farm buildings that house tools and vineyard equipment.

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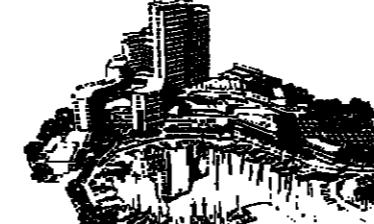


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Jazz in Europe: Some of the Major FestivalsBy Michael Zwirin
International Herald Tribune

PARIS — More than 400,000 people are expected to attend approximately 30 European jazz festivals this summer. States, cities, airlines, cigarette companies and hotel chains subsidize them. Networks shoot them. The season grows more successful, crowded and longer as promoters spin off trans-Atlantic transportation costs by selling their acts to smaller festivals that could not otherwise afford major U.S. attractions.

Today's jazz has just the right combination of intellectual content and contemporary zap to serve as a bridge between cultures, classes and generations. The following list of major festivals has been selected with stylistic and geographical variety in mind. All rosters are partial:

Montreal (July 7-24): From roots to branches — spirituals, blues, reggae, rock, funk, African popular music, bebop and avant garde in the casino complex on Lake Geneva. George Benson, King Sunny Ade, The Stars of Faith, Woody Herman, Art Blakey, The Widespread Orchestra, Art Ensemble of Chicago, John Lee Hooker, Slapstickies, Gil Evans. (Montreux Jazz Festival, Tourist Office, P.O. Box 91, CH-1200 Montreux, Switzerland.)

Copenhagen Jazz Festival (July 8-17): Music in the central pedestrian area with top Danish musicians (Svend Asmussen) plus international stars Gary Burton, Tito Puente, Eddie (Lockjaw) Davis, Eric Wilkins' Almost Bigband, Kenny Drew, George Fame, Max Roach, Jan Garbarek (City Center Organization, Norregade 7A, 1165 Copenhagen K, Denmark.)

Nimes International Jazz Festival (July 8-16): Musicians matadors in the Roman arena, where corridas are held in another season. Chick Corea-Gary Burton duo, Panama Francis and the Savoy Sultans, Gateway (John Abercrombie, Dave Holland, Jack DeJohnette), Charlie Rouse, Buddy Guy, Ralph Towner, Lew Tabackin, VSOP II (Herbie Hancock, Ron Carter, Tony Williams, Wynton and Branford Marsalis), Dollar Brand (Jazz Club, 45 Rue Flambé, F-30000 Nimes, France.)

Nordsee Jazz Festival, The Hague (July 8-10): Thirty thousand people are expected to hear 700 musicians in seven Convention Center halls 10 hours a day. "Trumpet No-End" (Dizzy Gillespie), Mose Allison, Concord Front Line Allstars, Hans Dulfer, Nina Simone, Irakere (from Cuba), Bob Wifert and the Bechet Legacy, The Sensational Nightingales, Herbie Mann — plus everybody's favorite group "Surprise Act." (P.O. Box

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The START Instructions

There has been much speculation in Washington about what the instructions will be that President Ronald Reagan gives to the team he is about to send back to Geneva to resume negotiations with the Soviet Union on reducing intercontinental strategic missiles. That the instructions for the START delegation will be changed is clear. Explicitly and implicitly, Mr. Reagan accepted a requirement to make his START proposals consistent with the recommendations of the Scowcroft commission he had named to study the missile question. Congress stands ready to hold him to his word: It has control of the MX money valve. But how will the proposals be changed?

There is an intense argument among the conservatives of the Reagan national security team. It centers on missile lifting power, or throw weight. Historically, Moscow has built bigger missiles, and so it has a theoretical advantage of better than two to one by this measure. In the administration's first START proposals, advanced when the negotiations opened in May 1982, the United States contemplated a first phase in which the throw-weight disparity would be addressed, though the emphasis would be on making deep reductions in numbers of warheads and missiles. In a second phase, emphasis was to be put directly on achieving equal throw-weight levels.

The question now, in revising the START

— THE WASHINGTON POST.

A Storm in the Andes

Peru's troubles today are Peruvian, but by tomorrow they could also be Washington's. A fragile democratic regime in Lima is struggling with droughts and floods, a fiery insurgency, an \$11-billion debt and an economic slump. But the Reagan administration's hemispheric crisis chart has scant room for the Andean republics stretching south from the inflamed isthmus of Central America.

Most Americans are scarcely aware of the political shifts in the five Andean republics, all led by constitutional presidents virtually for the first time since Simon Bolívar's day. But the uneasy transitions to democracy in Peru, Colombia, Ecuador and Bolivia have occurred at the worst of economic times. And in Venezuela, where democracy is strongest, development has been slowed to a crawl by declining oil revenues.

President Fernando Belaúnde Terry of Peru is in much the straits as his Andean colleagues. Elected in 1980 after 12 years of military rule, his room for maneuver is squeezed by a restless army and a guerrilla band called Shining Path. Its bombs blasted Lima's electric towers a week ago, leading to mass arrests and the risk of worse repression.

As elsewhere in South America, politics in Peru is chiefly the concern of a small elite. Democracy still needs a wider popular base,

— THE NEW YORK TIMES.

Other Opinion

The Palestinians' Troubles

The revolt against Yasser Arafat's leadership within the el-Fatah movement can no longer be dismissed as a storm in a teacup, whipped up by Colonel Qadafi with Syrian connivance, although that is how Mr. Arafat himself and his principal military deputy, Abu Jihad, have been strenuously trying to depict it.

It is now clear that the Palestine leader faces the most serious challenge from within the ranks of his own followers since he became chairman of the Palestine Liberation Organization's executive 15 years ago — indeed, since he founded Fatah itself in the late 1950s.

But [the rebels] have no credible substantive policy to offer. "We are determined to return to Sabra and Chatila, and to southern Lebanon, and from there we will go on and liberate Palestine," says Abu Akrum.

For all his faults, Mr. Arafat's international celebrity is an asset. The PLO would find it very difficult to replace. He is recognized as "Mr. Palestine" by the people of the occupied territories, by the Palestinian diaspora, and indeed by the world at large. If he is to be their leader, it is high time he gave them a clearer lead.

— The Times (London).

The revolt of the Palestinian colonels, which has just entered its second month, constitutes the gravest threat to confront the PLO since its creation in January 1964.

It is clear that the rebels' movement would not have broken out, or at least, would quickly have run its course, if it were not backed by Damascus. And having lost the "mini-state" that he had created in Lebanon, Mr. Arafat must henceforth, whether he likes it or not, take Syrian pressure into account.

— Le Monde (Paris).

The Palestinians do have one potent option left: waging nonviolent political warfare in the

FROM OUR JUNE 7 PAGES, 75 AND 50 YEARS AGO

1908: Exodus From Korea

TOKYO — Because many thousands of Koreans have secured naturalization elsewhere, particularly in Siberia and China in order to escape from Japanese domination, the Korean government has issued an edict declaring that it will not recognize these renunciations of allegiance to Korea. The official explanation of the decree is that it is intended to prevent returning Koreans claiming such naturalization from taking advantage of consular extraterritorial jurisdiction. The edict may lead to interesting complications through attempts by Japan's consuls abroad to assume jurisdiction over naturalized Koreans, basing their action on Japan's control of Korea's foreign affairs.

1933: A Belgian 'Love Fair'

ECAUSSINES, Belgium — The celebrated "love fair" held here annually on Whitmonday, was attended by hundreds of Wallon boys and visitors who gathered to dance in the streets until dawn and attend the "matrimonial" luncheon provided. Formal introductions are unnecessary on this great, traditional day. Pretty girls, clad in their prettiest frocks, choose their gallants with a smile, and they wander off hand-in-hand to visit the "bridge of sighs," the "lovers' tunnel" and the imposing medieval citadel. Since 1903, when 60 young girls, vexed at the lack of enterprise shown by the boys of their village, first inaugurated the "love fair," weddings have multiplied each year.

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S.A. capital de 1,200,000 F. RCS Nouv. B 73021126. Commission Paritaire No. 34231.
U.S. subscription: \$280 yearly. Second-class postage paid at Long Island City, N.Y. 11101.
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In Britain, Slips and Gambles and Endless Babble

By James Reston

LONDON — Britain in the spring is as constant and beautiful as always, except that this year there is an election, and everything seems topsy-turvy.

The main headline in The Times of London Saturday morning, for example, was "Thatcher Accuses SDP Leaders of Lacking Guts." It is not the sort of thing one expects of a lady prime minister.

Meanwhile, Denis Healey, the Labor Party's deputy leader, accuses Mrs. Thatcher of having "gloried in slaughter" during the Falklands War. He had to concede later on that this was not precisely the sort of phrase that a gentleman should use.

These, however, are merely awkward "slips." The positions of the Conservative and Labor parties in the election are even more surprising.

A former Conservative prime minister of Britain, Harold Macmillan, once observed that "every nation has its nightmare — Germany's is inflation, Russia's is invasion from the West by a Napoleon or a Hitler, and Britain's is unemployment."

But here is the Thatcher Conservative government with more than three million unemployed — Labor leaders say it is over four million — running well ahead in the polls.

Mrs. Thatcher has parlayed an avoidable war in the Falklands into the prospect of an electoral triumph on Thursday. But the Labor Party has neither concentrated on why she did not avoid the war in the first place nor on what she is going to do with her victory on those lonely distant islands in the future.

The Labor leaders have made other gambles

that are not paying off.

They have not only fought among themselves and diverted attention from unemployment, where they are strong, but also have bet on opposing new U.S. nuclear weapons in Britain and getting out of the European Community.

There is some public support here for this isolationist policy, but not much. The anti-nuclear protests go on around the American military bases here. More than 750 demonstrators have been arrested in recent days at the gates of the U.S. Air Force compound at Upper Heyford in Oxfordshire. But this scarcely seems mentioned in the campaign.

In fact, the United States itself has seldom been mentioned, for there seems to be a general feeling here that if the British go isolationist

and refuse to cooperate in maintaining a U.S.-nuclear balance of power with the Russians in Europe, America may also revert to isolation, which is the last thing most people here want.

What the British, of whatever political persuasion, really want is some kind of reconciliation between the two major nuclear powers in Washington and Moscow. Accordingly, they have welcomed the conversation between Avril Harrimann, with Winston Churchill's daughter at his side, and Yuri Andropov in Moscow. And also they have welcomed the State Department's positive response in favor of a renewal of conversations between Moscow and Washington on coexistence.

But, failing this, as much as the British dislike it, they will choose to risk putting cruise and Pershing-2 nuclear missiles in their territory, despite the Labor Party opposition.

Prime Minister Thatcher has been very stern about this. So have the leaders of the British Social Democratic-Liberal alliance, though the alliance has talked more in this election about the necessity for a U.S.-Soviet nuclear compromise at Geneva.

This may be one reason why the SDP mid-

dle-of-the-road party has been gaining support in the last stages of the election here, and why Mrs. Thatcher and the Labor leaders have been attacking the alliance so strenuously.

There is a longing here for moderation — as end of the battles between the extremes, as there is in the United States. The idea is getting around here, as at home, that maybe more progress can be made by cooperation rather than by confrontation in both domestic and world politics.

Even Prime Minister Thatcher is beginning to talk more moderately, and, like President Reagan, protesting that she cares about the poor at home and abroad.

Meanwhile, the British babbles along endlessly in this election, night and day. Television is their medium, even more than in U.S. elections. The British campaign is one continuous "Meet the Press" and call-in show — and it works for them, in their own way.

Fortunately, they limit their campaign to two weeks, rather than the two years of election campaigning in the United States, and no wonder. For spring is here again, in all its glory, and every once in a while, the sun even shines.

The New York Times.

'Meet the Presidents': Time to Fill the Gaps

By David S. Broder

WASHINGTON — The fall television schedules came out a couple of weeks ago, and I searched in vain for the program that I was hoping for: "Meet the Presidents."

There are lots of new series, specials and sports extravaganzas. But nothing in the announcements indicated that any of the three networks is planning to devote six, eight or ten hours this autumn to introducing or exploring the men who will be competing to lead the United States.

What do the voters in the 20 or so states that may choose delegates in the first three months of 1984 know about the men who would be president? Darn little. How are they going to find out? From news accounts of the campaign that may be broadcast or printed in the coming months, but mainly from the advertising the candidates purchase and prepare.

The frustration for the candidates, and the flaw in the present U.S. system of presidential selection, is that very few of the voters who now choose the nominees ever really get a chance to see the aspirants whole — in the round — before they have to pick a president from the group. Democracy assumes a fairly substantial degree of knowledge on the part of the citizenry about those who are vying to be their leaders. In a parliamentary system, like Britain's or Canada's, voters come to know the alternative prime ministers in their roles as leaders of their parties in Parliament. There are no unknown or little-known candidates.

The United States wisely rejected the notion that congressional leaders automatically make the best presidents. We broadened the field of potential contenders to include governors, mayors and an occasional general, businessman or educator.

Until the 1960s, we dealt with the problem of sorting through these relative unknowns to find a president by entrusting the job largely to professional politicians — elected officials and party leaders. They filled the delegate seats in convention halls, returning year after year almost as a matter of right. The makeup of the group was small enough and predictable enough that even an unknown candidate could become familiar with them and to them in short order, as Wendell Willkie did in 1940 or Adlai Stevenson in 1952.

But in the last two decades, we have gone a long way toward letting everyone in the country have an equal say in picking the presidential nominees, through presidential primaries in more than half the states and open caucuses in the others. As the new primary system has evolved, the critical choices that drastically

steamed up over Central America. This was borne out last month in a Washington Post-ABC News poll, which showed that Americans, by a margin of three to one, sharply oppose Mr. Reagan's proposed increase of military aid to El Salvador.

A majority of the respondents were against the United States becoming "too entangled" in the internal problems of Central America. Mr. Reagan's efforts to subvert the Sandinist regime in Nicaragua drew very slim support from Americans.

Most Americans want the United States to play an active role in world affairs. But except in the case of a Soviet invasion of Western Europe, very few want to commit U.S. combat troops abroad in a crisis.

With all this, however, the American public's primary concerns are domestic — specifically unemployment and economic improvement. And that, in my estimation, is the way it should be.

The Washington Post.

The Pope's Delicate Visit Home

By Jas Gawronski

ROME — The pope's second visit to Poland could turn out to be hurtful — for the Polish people and for the values the West represents. In fact, the visit is likely to be useful mainly to General Jaruzelski's regime.

The first pilgrimage of John Paul II to Poland, in 1979, rekindled for the people a feeling of national unity and power that emboldened them in their struggle against the Communist regime, thus creating the conditions for the birth of the Solidarity trade union.

But miracles seldom occur twice. Five months after the suspension of martial law, the only changes have been for the worse. People are routinely beaten up in police stations and languish in prison cells, where they are subjected to treatment that, according to a recent report by the now-clandestine Solidarity, is deliberately cruel.

The regime is still waiting for a sign of support from at least one of those figures who gained popular respect before the military coup in December 1981.

The church hierarchy persists with a prudent attitude in its relations with the authorities, trying to prevent any useless rise in tensions that might endanger the welcome of the pope, which is to begin June 16. But thousands of parish priests, through their actions and sermons, continue the defiance launched by Solidarity.

Still, General Jaruzelski's aim is not so much consensus as control. He has acquired it shrewdly and appears unlikely to allow it to slip easily from his hands. It is highly improbable that a movement similar to Solidarity can emerge in the near future.

Given these realities, what is likely to come from the pope's visit?

The enthusiasm such a visit would generate could serve to remind the military that the spirit of Solidarity is still alive, and the pope's presence could give new life to a disappointed, stagnant populace and reinforce its religious faith.

However, the visit is also bound to raise some false hopes and lead to frustrations. General Jaruzelski is not going to liberalize his policy as the result of the pope's visit; Moscovia will not let him.

Now that General Jaruzelski has succeeded in imposing many of his own conditions on the visit, he is eager for the pope to come. The general feels he could become the principal beneficiary of the pope's presence, despite the obvious risks — demonstrations of excessive enthusiasm and outbursts of repressed rage — which could be manipulated by his rivals in the ruling hierarchy to weaken his position.

But against these risks, there are obvious advantages, not least of which is the air of legitimacy that the pope's visit might confer upon the Jaruzelski government.

Government officials make no attempt to hide what they expect from the pope's visit. Henryk Jabłkowski, the chief of state, talks in his official invitation about "positive results for the good of the country, and for the Polish socialist cause."

The newspaper of the armed forces, Zmierz Whodzisz, says the pope's visit "could constitute a recognition of the government of General Jaruzelski and break its interna-



Steve Marchick, The Washington Post

tional isolation." The minister for religious affairs, Adam Lopatka, said in an interview that the pope's journey would be "useful in breaking the chain of isolation that has been drawn around Poland by the Western countries."

Not satisfied with these advantages, the Polish government succeeded in inducing the church to make concessions that many in Poland consider excessive. No more is there talk about a general amnesty for political prisoners, which had seemed to be a precondition for the announcement of the trip. Cities like Gdańsk and Szczecin, which were the cradle of Solidarity, and the town of Lublin, site of the only Catholic university in the Communist bloc, have been dropped from the pope's itinerary.

In addition, they are still doubts about a meeting between the pope and Lech Wałęsa, the symbol of Solidarity. If the regime succeeds in preventing this encounter, the visit could turn into a bitter blow to the many Poles who still have hopes for a better Poland.

If there is a change in policy, it will probably be for the worse, since the general is likely to postpone a number of unpopular measures until after the pope's visit; these measures could include political trials and price increases. A result might be a decline in the pope's prestige in the people's eyes.

Now that General Jaruzelski has succeeded in imposing many of his own conditions on the visit, he is eager for the pope to come. The general feels he could become the principal beneficiary of the pope's presence, despite the obvious risks — demonstrations of excessive enthusiasm and outbursts of repressed rage — which could be manipulated by his rivals in the ruling hierarchy to weaken his position.

The public's largest single preoccupation in foreign affairs is the nuclear arms race. More than half of the Americans polled favor a freeze on the construction of nuclear weapons by both the United States and the Soviet Union.

This represents a rejection of Mr. Reagan's argument that the United States cannot begin to contemplate a freeze until it builds up its nuclear arsenal further. The public is concerned with avoiding war, not ensuring U.S. superiority.

The quest for peace does not mean that Americans have much confidence in the Kremlin. The Soviet Union stands at the bottom of the list of the country's real concerns.

Thus, the cry of "no more Vietnam" in regard to potentially deeper U.S. involvement in Central America and elsewhere is not an appeal for withdrawal from the world. It is a challenge to the leaders to offer a sound explanation for commitments overseas.

One of the most comprehensive surveys of American attitudes toward international affairs to appear recently is a study published by the Chicago Council on Foreign Relations. Within the past four years, the study notes, the public's values and priorities have not shifted significantly.

Americans were inclined to be conservative and nationalist after the Vietnam tragedy, when they fretted about the nation's global image after its first military

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

TUESDAY, JUNE 7, 1983

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EGYPT

THE ECONOMY — A SPECIAL REPORT

Sinai Development Aimed at Tourism, Irrigated Farming

By Frederick Schiff

AL ARISH, Sinai — The Sinai Peninsula is the fastest-growing development area in Egypt, although the government's expectation that the area can absorb an important share of the population from the Nile Valley and Cairo seems overly optimistic.

Egypt, after fully recovering Sinai a year ago, is eager for its achievements in the region to stand comparison with the development that occurred during the Israeli occupation.

Housing projects under construction are expected to bring more than 65,000 new migrants to the region in the next two years. Urban development is concentrated at Al Arish and El Tor, the new administrative centers of north and south Sinai.

The head of the Sinai Development Authority, Ali Abu Zaid, said that housing and infrastructure developments were going ahead before jobs can be created for the new residents. He said that the government target of 1 million settlers by the year 2000 meant the provision of 200,000 new jobs, one-fourth of them in "productive" sectors.

"Our objective is to move people from the overcrowded Nile Valley," Mr. Zaid said. "We want to resettle and establish these people in the [five] development regions. We are beginning with the Sinai because it has been neglected since 1950."

A 1982 feasibility study by Dames and Moore, a U.S. consulting firm, doubted that this objective of rational human resource management could be carried out on the scale envisioned. "In general, immigration to rural areas and new lands has been small," the report noted. The report proposed a modest doubling of the population from about 200,000 in the Sinai in 1981 to the end of the century.

The government in Cairo is, nevertheless, pushing ahead to improve urban centers and access to the Sinai. The 1.6 kilometer-long (nile-long) Ahmed Hamdi tunnel opened last year, linking the peninsula by land for the first time since the Suez Canal was built. There are eight ferry crossing points. The peripheral road network is in reasonable condition and is being resurfaced.

A major limiting factor to further settlement is water, with average annual rainfall at less than 40 millimeters (1.6 inches).

Two major pipelines are planned, at an estimated cost of about \$250 million. Construction was begun on one pipeline last year and the other is being finalized. A conveyor, 700 millimeters wide and 170 kilometers long, will carry 28,000 cubic meters a day of Nile water from Qantara to Al Arish, and the second, 500 millimeters wide and 163 kilometers long, will deliver 4,000 cubic meters daily from Suez to Abu Rudeis. Six siphons already are pumping water to reclaim desert land for agricultural use east of the Suez Canal.

In Al Arish, three huge apartment cities are going up, with 4,500 (Continued on Following Page)



OIL, CONSTRUCTION AND AGRICULTURE — At left, a drilling platform in the Gulf of Suez. Despite the world surplus, oil revenue continues to play a key role in Egypt's economy. Center, a cement plant in the desert. Right, farmers plough Nile Delta land. Agriculture remains a government priority, but the food import gap is widening.

Suez Canal Income Vital to Economy

By Patricia Ochs

ISMAILIA, Egypt — Despite the recession and the world oil surplus, the Suez Canal continues to be a mainstay of the Egyptian economy.

On average, 62 ships use the canal and pay \$2.7 million in tolls each day. The canal revenue is Egypt's third-highest foreign exchange earner, after oil and workers' remittances from abroad.

The 100-mile (161-kilometer) canal linking the Mediterranean and the Red Sea provides its most important customers, Europe and the oil-producing Gulf states, with a vital trade route.

The first Suez Canal was dug about 1800 B.C. and linked the Nile and the Bitter Lakes to provide a jagged path between the two seas. This canal was left unattended for many years and was filled in, for military reasons, in about A.D. 775.

The modern canal, promoted by the French diplomat Vicomte Ferdinand Marie de Lesseps, was completed in 1869 after a decade of work. President Gamal Abdel Nasser nationalized the waterway in 1956 and set up the Suez Canal Authority as an autonomous body.

Almost a dozen improvement projects have

deepened and widened the waterway to accommodate larger oil tankers and ships.

Because of Arab-Israeli fighting beginning in 1967, the canal was closed to international shipping until 1975. The SCA estimates that Egypt lost \$3 billion in income, equipment and buildings. A United Nations report in 1974 estimated that the closing of the canal cost the world more than \$10 billion in higher shipping charges, trade restrictions and other losses.

Another hardship for the SCA was that, while the canal was closed, the introduction of very large crude carriers, or VLCCs, made the alternative to the canal — the expensive, time-consuming 5,000 nautical miles around the Cape of Good Hope — economically rewarding.

After mines, along with tanks and other military vehicles from two wars, were cleared from the bottom of the canal, the SCA embarked upon a four-year, \$1-billion to \$3-billion expansion plan to court these new, larger ships. When the SCA, under the chairmanship of Mashour Ahmed Mashour, completed the first phase of the project in December 1981, yearly revenues from the canal had tripled from \$647.6 million before the Mideast war to \$220 million. "We

are now able to handle every type of ship other

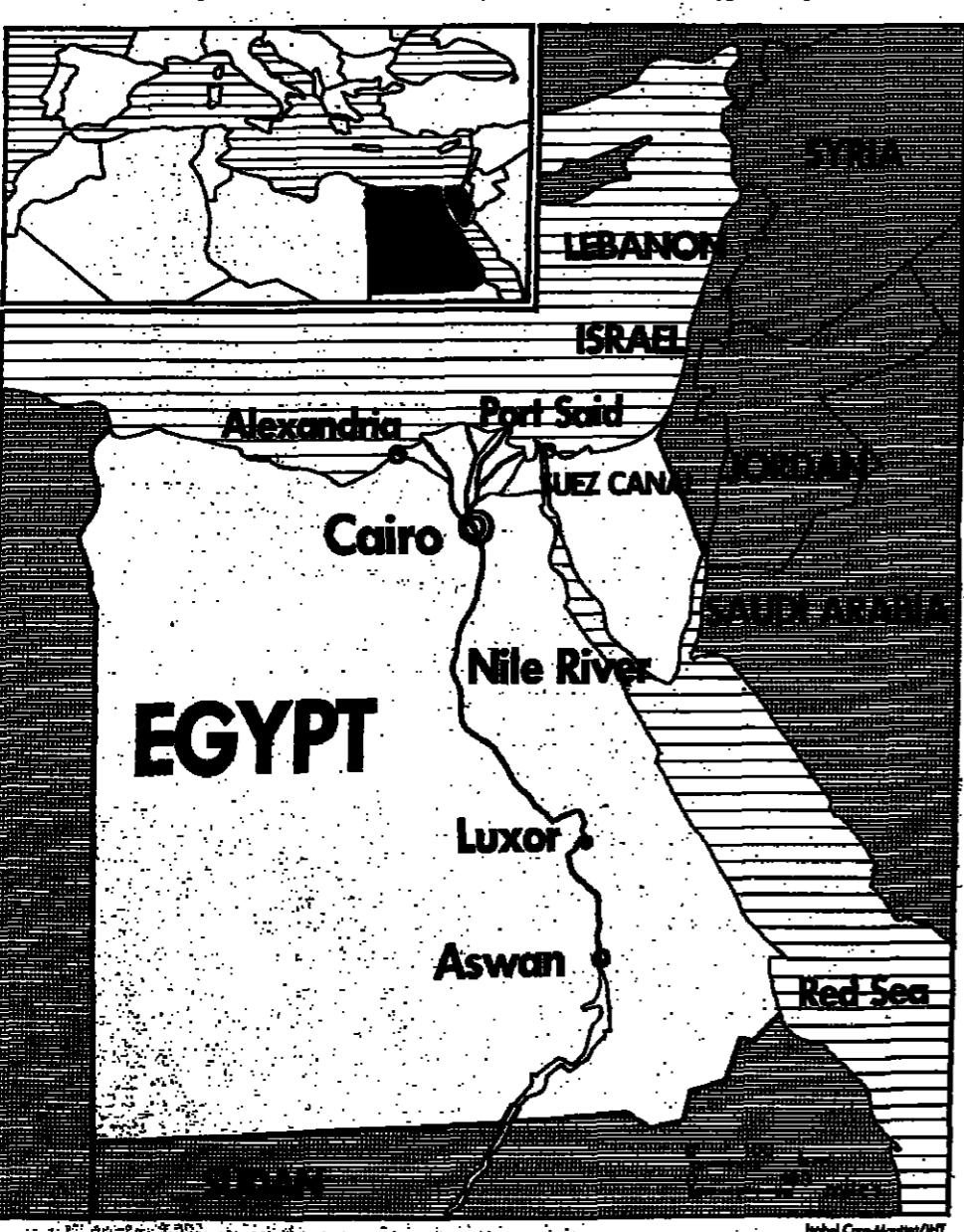
than the largest oil tanker," Mr. Mashour said. The new income provided a boost to Egypt's war-damaged economy, and reconstruction work in the three major cities along the canal — Port Said, Suez and Ismailia — gave the country a psychological push as well. The Suez Canal can now take ships of 150,000 tons fully loaded, 250,000 partly loaded and 370,000 in ballast. The draft capacity has been increased from 38 feet (11.5 meters) to 53 feet.

In addition to dredging, the SCA straightened some curves and created four bypasses, primarily to aid the passage of supertankers. But the stamp in world shipping traffic, a byproduct of the oversupplied oil market, led the SCA to announce in late April that it would postpone the second phase of the project.

Mr. Mashour said the SCA would wait until 1985 or early 1986 to draw on loans provided by the Japanese, World Bank and Gulf countries for the \$900-million project. When the project is finished, the Suez Canal will be able to handle ships twice as large as those it now takes.

(Phase Two will be executed only for the sake

(Continued on Following Page)



BASIC DATA

Area: 1,000,235 square kilometers, with the inhabited area being only 35,168 square kilometers. Population: (estimated December 1981) 44,000,000. Agriculture: Cotton continues to be the most important export, but sugar cane, onions, potatoes and citrus are sold extensively to overseas markets.

Economy: Major industries: textiles, chemicals, steel, cement, fertilizers, motion pictures. Minerals: oil, phosphates, slate, iron, manganese, cement, gold, gypsum, kaolin, titanium. Crude oil reserves (1980): 3.1 billion barrels. Crude steel production (1979 estimate): 800,000 metric tons. Labor force: 50% are agricultural workers. Gross Domestic Product per capita (1978): \$400. Imports (1979): \$3.84 billion; partners (1978): U.S. 16%, West Germany 11%, Italy 8%, Britain 8%. Exports (1979): \$1.84 billion; partners (1978): Soviet Union 17%, Italy 12%, United States 12%, Netherlands 5%.

Currency: The Egyptian pound (Egyp.) of 100 piastres or 1,000 millimes. 1 Egyp. = \$0.82.

Economic Growth Tied To Regional Oil Trends

By Joseph Fitchett

CAIRO — Egypt rarely comes to mind as a country whose fortunes are tied to the oil boom, but, in fact, the rise and fall of the Egyptian economy in recent years has mirrored trends in the oil economies of the Middle East.

Today, Egypt needs a new motor for earnings following the drastic downturn in regional oil wealth. For almost a decade after 1973, Egypt's oil exports were the country's main source of growth — aided by Egyptian workers' remittances from the Gulf, tanker fees from the Suez canal and tourism to newly peaceful Egypt.

With bleak prospects for any further growth in these sectors, Egypt is heading toward unmanageable deficits. The situation is especially grim because Egypt — like many other oil-exporting countries — neglected to make overdue economic reforms when it was growing by nearly 8 percent annually during the 1970s. Agriculture, for example, actually stagnated.

Today, President Hosni Mubarak, 18 months in office, is emphasizing recovery as his main domestic priority. Both Egyptians and friendly Western governments, however, are waiting to see whether his promises of change and his cautious initial reforms will coalesce into a major new departure.

Mr. Mubarak, edging Egypt toward a more competitive spirit, has to cope with a double heritage. The Nasserist legacy is deep: for a generation, Egyptians were insulated from the international commercial facets of life. President Anwar Sadat's decade coincided with a rush of oil-related wealth that allowed many Egyptians to indulge their long-suppressed consumer appetites.

In the last two years, however, Egypt's deficit has grown dramatically. Figures vary, as always in Egypt, but one set shows the current-account deficit leaping from \$455 million in 1980 to \$2.4 billion last year — a shortfall equivalent to 8 percent of Egypt's gross national product. Although Mr. Mubarak in his last May Day speech said the figures were improving slightly this year, the trend remains critical. After years of spending its foreign earnings on consumption to buy political peace, Egypt, its leaders admit, needs to apply austerity in order to curb luxury consumption, to reduce the population, to reform the heavily dominant public sector to be more productive and to

galvanize Egyptian foreign and private investment — a package of measures to make Egypt gradually move toward becoming more self-sustaining.

"The deficit statistics sobered many officials and got them thinking about economic reforms that they understood in theory but ignored in practice," according to a source close to key cabinet ministers.

Egypt's situation may be harsh for the nation, but it leaves opportunities for many businessmen — provided they meet the government's new criteria. "Mr. Mubarak wants to keep the liberal open-door economy," an Egyptian observer said. "But he wants to close what is called the consumer open-door and keep the so-called productive open-door."

The emphasis, publicized in the five-year plan last year, is on investments for industrial and agricultural production, not on facilities for services and imports. An economic necessity, this approach also has political overtones designed to disarm Moslem fundamentalist and Nasserist groups. Conspicuous consumption is to be curbed and the public sector is to be modernized, not dismantled.

A key architect of this approach is Economic Minister Mustapha Khalil. New tax regimes and lending rates, for example, are designed to favor entrepreneurs, not merchants. And Mr. Khalil instituted selective import bans, while authorizing exporters to keep more earnings abroad to restock machinery and raw materials.

This approach fits well with the efforts of Egypt's main Western friends. The United States, whose biggest aid program is in Egypt, together with U.S. companies, play a key role in Egypt's oil production and banking development. Egypt ranks just behind India as a recipient of aid from both, and France is helping finance several major projects. All want to improve Egyptians' living standards — to stabilize a country that has become pro-Western — and to foster a business climate in which trade can help Egypt compete in the world economy.

The challenge is formidable but hard to project to public opinion. Egypt gains an extra one million mouths to feed every nine months. But nobody seems to starve, yet. Socialist attitudes undermine initiative. "The words 'private sector' imply effort to Westerners, but for Egyptians they conjure up the image of a

(Continued on Page 11S)

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EGYPT

Suez Canal Income Vital to Economy

(Continued From Preceding Page)
of the supertankers," said Abdel Aziz Dissawy, director of planning and research at the SCA. "The revenues gained at present would not cover the expenses of the project. And frankly, we don't see that the navigation of the world needs it."

The impact of the oil surplus on the canal has shown up in part as a percentage decline of net oil tonnage passing through the waterway. Shortly before the 1967 war, 72 percent of the total net tonnage represented oil shipments. In 1981, the figure was 39.5 percent and last year it dropped to 36.8 percent. The percentage is likely to fall again this year.

The decline has been offset by the recent completion of the Yanbu pipeline across Saudi Arabia. Crude oil from the pipeline is loaded onto smaller tankers and shipped through the Suez Canal.

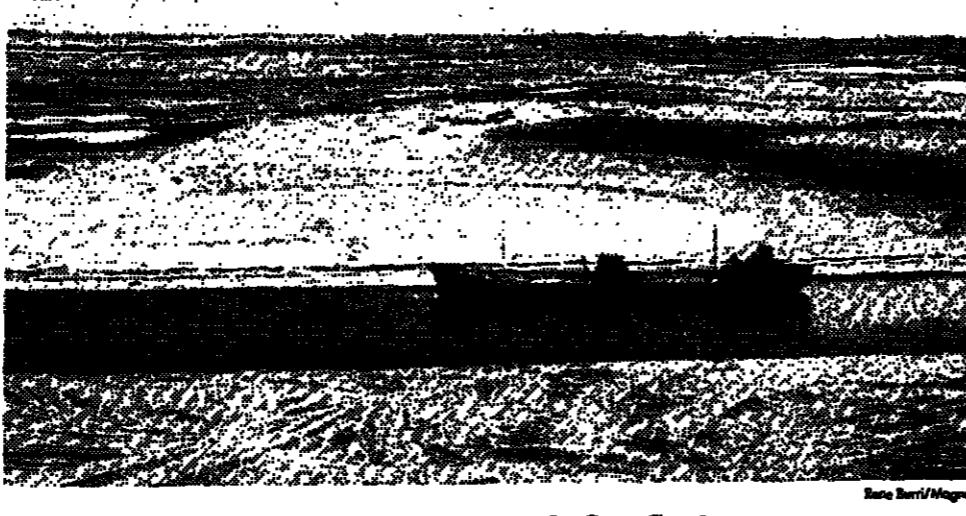
As an inducement to oil traffic, tankers pay lower tolls than other cargo ships using the canal. The gap left by the decrease in oil tone

nage has been filled by dry cargo tonnage. The cargoes of the bulk carriers, such as iron ore from India and cement from southern Greece and Romania, "has meant a current yearly increase of 5 percent overall in net tonnage," said Mr. Mashour.

Mr. Dissawy said the only ships not allowed through the canal are those carrying nuclear material. Passage of highly toxic material is strictly regulated, he said.

The number of ships — foremost among them Greek, Soviet, Panamanian and Liberian — making the 15-hour journey has not changed much since before 1967. But net tonnage, on which the tolls are based, has increased, from 768,000 a day in 1980 to 956,000 in April 1983.

The SCA announced in 1977 that it had captured back some business lost during the closure to its competitor, the Panama Canal. About 150 Japanese ships were said then to have switched to the Suez Canal for their route to Europe.



A freighter moves across the Suez Canal.

Oil: Astute Policies Cushion Against Decline in Prices

By Alan Mackie

LONDON — Egypt relies heavily on oil to underpin its foreign exchange earnings. The recent slump in the oil price consequently has caused considerable worry among the country's economic planners, who readjusted the current deficit projections as the price plummeted and wondered where they were going to find the foreign exchange to meet import commitments.

However, their concern has eased since two months ago when they were forced to cut the price of Gulf of Suez blend by \$2 to \$27 a barrel.

In fact, Egypt's petroleum managers in the Egyptian General Petroleum Corporation have been remarkably astute in their marketing and have been able to cushion Egypt from the worst of the slump.

As a small exporter selling around 230,000 barrels per day (of which Israel takes 40,000), EGPC has found it relatively easy to find purchasers for small placements who wish to spread their risk.

However, a major reason for the company's success has been keeping ahead of the competition on pricing. Egypt is not a member of the Organization of Petroleum Exporting Countries, but it has been able to prime its prices to maximum effect against the OPEC benchmark. EGPC sells its oil at annual auction. Allotments are made on price and quantity bid. In times of rising oil prices this worked to EGPC's advantage. In a seller's market, EGPC knew what its customers were offered, but set the price every three months in the light of market conditions. Since the glut, however, EGPC has had to adjust prices more regularly and be fast on its feet.

Measures were taken last year to restrict imports of luxury items and finished consumer goods and a new team of technocrats began laying the groundwork for an export-oriented economy. In an effort to limit the growth of imports to 5 percent annually and boost exports by 12 percent during the next financial year, the government took a few steps to stimulate exports by cutting the red tape involved in obtaining export licenses and offering credit facilities on a small scale to exporters. To underline its overall policy of encouraging investment in industry, the government also has set higher interest rates, loans for commercial projects, limited the rate to 12 percent for industry and reduced it to 5-6 percent for agriculture and land reclamation projects.

However, this "indiscriminate" policy, as a major importer described it, indirectly affects industrial development in Egypt as the higher interest rates, customs duties and restrictions also involve capital and intermediate goods. Medina Karawan, an agent for several Western construction equipment manufacturers, said: "I am all for bringing the importation of apples and bubble gum to a halt, but figure out how the same rules could be applied."

steel and cement plants of Helwan, the heavy-industry center south of Cairo. There are also plans to develop a modest petrochemical complex near Alexandria.

So far domestic demand looks like being more than sufficient for whatever amounts of gas produced. Local production, in any case, is nowhere near sufficient to warrant a natural gas liquefaction plant that would make exporting feasible. With the nuclear power program running into serious financing difficulties, the emphasis on increased gas production for domestic use will become more marked.

Until EGPC recently introduced a gas production-sharing agreement similar to that already used in oil prospecting agreements, all gas fields belonged to the government.

Gas discoveries to date have, therefore, been a byproduct of oil prospecting. Nevertheless, a number of important fields at Abu Qir, Abu Madi and more recently at Rashid close by, have been discovered in the mouth of the Delta.

Because of its foreign-exchange earning capacity, the prospects for oil continue to dominate the thoughts of economic planners. Egypt can reasonably expect to find the same amount of its recoverable reserves again — about 500 million tons — which at current rates of consumption should last into the first decade of the next century. Much depends on the effectiveness of conservation measures as to how much longer oil production can be extended.

So far, recoverable reserves are keeping ahead of depletion, but not sufficiently to allow complacency. Generally, to maintain a steady rise in production, around two barrels need to be found for every one extracted. Egypt is reasonably on target for 1 million barrels per day of oil and gas production in 1983, market conditions permitting, but the problem will be maintaining, let alone increasing, this level as its two major Gulf of Suez fields, Morgan and July, which between them account for 250,000 barrels per day, begin to go into steep decline. Two 100,000-barrels-per-day fields are being developed by Mobil and a BP-led consortium, close to each other in an area 30 kilometers north of the Red Sea resort of Hurgada. EGPC will need a couple of finds of similar size in the near future to feel comfortable about production projections beyond 1985.

Development of Sinai

(Continued From Preceding Page)
be converted into 120 chalets. The monastery is situated near Mount Sinai, where Moses is said to have received the Ten Commandments. Pilgrims now stay in rough monastic huts.

The Sinai has more than 1,000 kilometers of warm-water beaches and the Mediterranean coast is set to become the "Egyptian Riviera" for overland travelers, as well as for summer vacationers from Cairo and Tel Aviv.

South of Elat and Aqaba is some of the best scuba diving in the world, according to the Israeli developers who built tourist villages in Nuweiba and Dahab and three hotels in Sharm el-Sheikh, on the west coast of the peninsula.

Mr. Abu Zaid said that Club Mediterranean, the package tour group, has approval to build three 250-bed complexes between Dahab and Sharm el-Sheikh. The ministry goal is to promote private hotel building with capacity for 5,000 to 10,000 tourist beds per night, which at economic occupancy rates means more than one million bed nights per year. The total government investment will be £Egy 245 million.

The presidential residence of the late Anwar Sadat at Wadi Raha near St. Catherine's monastery will

be converted into 120 chalets. The monastery is situated near Mount Sinai, where Moses is said to have received the Ten Commandments. Pilgrims now stay in rough monastic huts.

Igoth, a West German management firm, is to begin running a 150-room "Margotel" in Al Arish this summer. Two tourist villages and 30 chalets, to be called the "Star of Sinai," are planned. Along the west coast, one tourist complex will be built at Ras Melash and another north of Ras Mohammed.

Although investors seem to see the most potential in the tourist sector, the government is more interested in agricultural development as a way to absorb the expected population growth. New hotels may provide an additional 4,000 to 8,000 jobs, but the reclamation of 200,000 acres of land could make openings for 40,000 new farmers.

Officials recognize that because of the poor soil and the cost of bringing in water, traditional crops cannot compete with Nile Valley agriculture. Using fertilizers, new irrigation methods and selected crops, however, cooperative farming still can be profitable. "I am in favor of the development of agriculture and industry," Mustafa el-Said, the minister of

(Continued on Page 125)

By Olaf Tohamy

CAIRO — Holders of Egyptian private capital are seeking to expand the scope of their role in the economy amid the restraints of central planning and confusing signs from the government.

Despite their public commitment to an open-economy policy, which has allowed the private sector's contribution to the economy to rise from 5 percent in the 1960s to more than 20 percent, Egyptian entrepreneurs feel that government policies and laws continue to favor an incompetent and overgrown public sector. But government officials, led by President Hosni Mubarak, continue to stress that there will be no going back on the liberalization measures started nine years ago, while emphasizing that the private sector will be encouraged to grow within the framework set by the present five-year plan.

The plan, designed to increase self-sufficiency, provides for the investment of £Egy 8.3 billion over the next five years, including £Egy 1.5 billion pounds during the financial year 1983-84, accounting for about one-quarter of the total for investments. The government is relying heavily on the Egyptian private sector's expansion in the fields of housing, tourism and agriculture. It also is hoping that substantial amounts of private capital, independently or in conjunction with foreign partners, will be invested in industry and land reclamation as part of its "productive" open-door policy. In addition, the government also is trying to persuade the private sector, currently producing one-third of the industrial output, to diversify and to develop, especially in the areas of textiles and garments, metal and leather products and food processing.

"I am in favor of the development of agriculture and industry," Mustafa el-Said, the minister of

economy, said in an interview. Explaining that the overriding principle of the government's economic policy is to reduce the balance of payments deficit of £Egy 4.7 billion — for which a filled balance of trade is largely responsible, the minister set as his goal "rectifying the balance between various sectors of the economy, where trade has grown at a rate double that of the growth of industry and agriculture... I know that many businesses will suffer, but we must put an end to this situation," he said.

Measures were taken last year to restrict imports of luxury items and finished consumer goods and a new team of technocrats began laying the groundwork for an export-oriented economy. In an effort to limit the growth of imports to 5 percent annually and boost exports by 12 percent during the next financial year, the government took a few steps to stimulate exports by cutting the red tape involved in obtaining export licenses and offering credit facilities on a small scale to exporters. To underline its overall policy of encouraging investment in industry, the government also has set higher interest rates, loans for commercial projects, limited the rate to 12 percent for industry and reduced it to 5-6 percent for agriculture and land reclamation projects.

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Loans, Advances & Bills Discounted	85	108
	1,437	1,782

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Cash and Banks	307.6
Loans and Advances	155.7
Investments	29.8
Other Debit Balances	13.9
Fixed Assets (after depreciation)	6.5
Total Assets (before contingent liabilities)	513.5
Contra accounts	246.8
Total	760.3
LIABILITIES	
Customers' current & deposit accounts	199.0
To Banks	220.1
Profits	12.2
Other credit balances and provisions	14.6
Total shareholders' equity	67.6
Total liabilities (before contingent liabilities)	513.5
Contra accounts	246.8
Total	760.3

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Banking: Reasons For a Wider Role As Area Center

CAIRO — With the outbreak of the Lebanese civil war eight years ago, Cairo moved briefly into the financial limelight as a possible alternative to Beirut as a regional banking center. Its potential for such a role was explored again at some length at an international conference on capital market development held in Cairo from May 17 to May 19.

Mohammed Nabil Ibrahim, the deputy chairman of Bank Misr, one of the four nationalized banks in the country, enumerated the prerequisites that Egypt satisfied for being a world financial center in the Middle East and Africa. He pointed to the stable economic and political conditions, the government's policy of encouraging and protecting investment, together with tax breaks and protection against confiscation.

Mr. Ibrahim also spoke of the investment opportunities and the absorptive capacity of the Egyptian economy, the availability of securities, Egypt's increasing importance in the financial world, reflected by the growing number of foreign banks operating in Egypt, with the resulting spin-off in terms of sophistication of the local banks, the presence of the money market and the increasing savings. He said that the clear-cut credit policy, good communications and infrastructure, high living standards for expatriate workers and skilled technical personnel all contributed to a healthy investment climate.

The number of banks operating in Egypt has risen from half a dozen in the early 1970s to 78 in 1983. These include the central bank of Egypt, which controls banking operations in Egypt, the four public-sector banks — National Bank of Egypt, Bank Misr, Bank of Alexandria and Banque de Commerce — as well as specialized banks, investment banks, joint-venture commercial banks, Egyptian-owned banks, multinational offshore banks, including the Arab African International Bank and the Arab International Bank, and representative offices of foreign banks.

Inevitably, the influx of foreign banks with greater technological and managerial know-how has raised the standard of Egyptian banking. But despite Mr. Ibrahim's optimism, some speakers at the international capital market conference expressed doubts about

Cairo's suitability to become a regional financial center at this point. Some speakers pointed to the constantly shifting banking regulations, the restrictions of the free flow of capital, the presence of four different exchange rates and the interest-rate structure.

Foreign banks frequently are criticized for not financing investment in Egypt. Branch offices complain that they are prohibited from such transactions under Egyptian law, since they cannot operate in local currency, and that the charge is based on a misapprehension of their function. Others say that with the long lead time to start up an investment venture, there is inevitably a period of two to five years when deposits are building up before they are disbursed.

Banking operations are controlled by the central bank, which sets the margins for interest rates and services. The central bank, in consultation with the government through the Ministry of Economy, also has laid down regulations limiting the amount of credit that can be given to 65 percent as a proportion of deposits. This is, in effect, a regulation to ensure a minimum reserve of 35 percent.

Statistics concerning information on Egyptians working abroad are almost non-existent, and the ministry is the first to admit this. It has said, however, that at least 1.25 million work in Iraq, 800,000 in Saudi Arabia, 200,000 in Kuwait and 300,000 in Libya.

The first measure affects more the local banks, that have been lending upward of 150 percent over that deposit base; the second affects new banks setting up, since they are finding it difficult to expand their deposit base sufficiently even with a brief moratorium on new bank.

One new bank that appears to be doing well is the Bank Exterior, a joint venture between Bank Misr and the Banco del Exterior of Madrid. Bank Exterior reported \$1.4 billion of trade financing in the first 10 months of operation, including \$200 million for military purchases, principally Pegaso trucks for the army.

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Tough Decisions Needed to Reduce Food Gap

CAIRO — Agriculture, neglected during Egypt's small oil boom, has become a development priority, but Egyptian experts and Western analysts say tough policy choices and years of effort will be needed to close the country's widening food gap.

The gap between what Egypt produces and what Egyptians eat is widening fast. Until 1974, Egypt had an agricultural surplus, but now Egypt imports nearly half of its food, including staples: wheat, flour, cooking oil, sugar, beans, lentils, red meat, poultry and dairy products.

The cost, nearly \$3 billion, is a major budgetary strain. The trend will be difficult to break. After 1974, the growing demand for food (Egyptians lead the world in wheat consumption) was paid for (and masked in accounting) by the country's rising revenues from oil and services.

Meanwhile, Egypt, like many other oil-exporting countries, neglected farming badly. In the last decade, agricultural investment increased on average 2.5 percent a year — the lowest rate for any sector.

The three most lucrative export crops — cotton, rice and oranges — all declined.

A principal factor was the government's attempt to continue holding down administered prices. "Long periods of depressed prices encouraged successful farmers to evade government regulations and, even foregoing government assistance programs, to profit from shifting to crops free of price controls," a U.S. expert said.

With the profitability of farming so limited, even remittances from Egyptians working abroad were spent on homes in rural areas, not on upgrading farms.

The new emphasis of the Mubarak government on production includes some promising initiatives in the agricultural sector.

Farm-gate prices — those paid to the peasants — have been raised on wheat, rice and corn. This step reverses a decades-old policy of forcing farmers to sell these crops to the government at below-market prices to provide cheap food for city-dwellers. Production increases followed quickly.

Other problems are more intractable. An influential young Egyptian agricultural official — who asked not to be identified because bureaucratic struggles continue — said

that Egyptian and U.S. experts agree on the broad lines of needed reforms.

An acute, long-standing problem is the extra irrigation of water supplied by the Aswan Dam. Much of Egypt's limited farmland has suffered from too much water, which causes salinity.

Now, after a decade of work, often supported by foreign aid, the network of new or cleaned canals is relieving this overload.

The toughest choice for planners is whether Egypt should invest in trying to reclaim more land — at present only 3 percent of Egypt is farmland. Most of the reclaimed land is in the Nile Valley and the Delta formed as the river's branches reach the Mediterranean. Reclaiming land is an old Egyptian dream nourished by the late President Anwar Sadat.

The alternative, favored by most experts, is to improve yields in existing farmland. Although Egypt ranks among the world's highest yielders in some crops, the country benefits from unbeatable climatic conditions and

(Continued on Following Page)

Up to 3.5 Million Workers Abroad

By Alice Branton

CAIRO — The number of Egyptians working abroad has been estimated at between 1.5 million and 3.5 million. The Ministry of Immigration, as well as Egyptians abroad, cite the higher figure. Most of these Egyptians work in the Gulf states, particularly in Saudi Arabia.

Statistics concerning information on Egyptians working abroad are almost non-existent, and the ministry is the first to admit this. It has said, however, that at least 1.25 million work in Iraq, 800,000 in Saudi Arabia, 200,000 in Kuwait and 300,000 in Libya.

The first measure affects more the local banks, that have been lending upward of 150 percent over that deposit base; the second affects new banks setting up, since they are finding it difficult to expand their deposit base sufficiently even with a brief moratorium on new bank.

The large number of Egyptians working predominantly in the Organization of Petroleum Exporting Countries generates a great deal of hard currency, and remittances from abroad is one of the most important sources of foreign exchange.

Officially recorded remittances are in the form of foreign exchange from Egyptian currency through the banking system, as well as "own exchange imports." The "own exchange market" was introduced in 1974 in order to allow privately held foreign exchange to be traded and used to finance imports, usually by the private sector, although the public sector also draws on the "own exchange market" to finance import commodities such as foodstuffs, construction material and agricultural machinery.

The central bank's report for 1981-1982 puts total remittances from Egyptians working abroad — that is money transfers and "own exchange" imports — at \$1.714 billion, against \$2.567 billion in 1980-81. But the decline in officially measured remittances is misleading. The drop in these figures can be explained by the widening gap between the official rate, 84 piastres to the dollar, and the free market rate, about £550.10 to the dollar. As one foreign banker said: "With the free market rate currently adding about 30 percent more spending power to the dollar, Egyptians returning from work outside of Egypt are getting smart. They bypass the official banking system and go straight for the free market where they will get more pounds for their dollars. But simply because the money they bring in goes unrecorded by official channels it does not mean there is a drop in remittances. In fact, bank figures belie the truth that remittances are a very important source of foreign exchange here."

An official at the Ministry of Economy gives an example of how an Egyptian laborer returning to Egypt after a year's work in the United Arab Emirates will bypass the banking system and instead feed into the "own exchange market." The laborer lands in Egypt, he said, with a check made out to him for \$2,200. Instead of depositing the check in a bank or changing it for cash (at the official rate), the laborer will go back to his village and wait for a "money broker" to turn up. The broker will pay cash in Egyptian pounds for the endorsed check at an agreed-upon free market rate of, say, £550.10 to the dollar. The broker will then take the laborer's endorsed check, along with any others he has purchased, to a bank, where he will deposit them, thus finding himself with a cash sum of perhaps \$10,000. As soon as he finds an importer who needs foreign currency to finance

his imports, the broker will sell him dollars from his fund at the rate of £550.10 to the dollar, thus ensuring his profit. With the Egyptian pounds he receives from the importer, he will go back to the villages and begin the process over again.

The practice of bartering checks for cash is not entirely a legal one, but the government tends to look the other way. "We would rather have money coming in regularly, even if it does not go through official channels, than take measures that would cause hard cash supplies to dwindle," Mr. Salama said. Critics counter with the retort that the result with the system is that hard currency comes in, only to go out again for imports of luxury items, thus depriving Egypt of any long-term benefit.

Recent government measures to curb the importation of luxury items deemed unnecessary have been welcomed by expatriate Egyptians as a way to put foreign currency remittances to better use. The practice of Egyptians going abroad to work has a dual impact on Egyptian society. It has caused a shortage of some skilled workers and technicians and has been a drain on agricultural laborers.

But, Mr. Salama said that it has a positive effect on keeping unemployment down and contributing, however slightly, to population control. He puts the total remittances figure for 1983 at about \$4 billion. He said that about half of that sum will not go through official channels.

The current worry is that reduced OPEC revenues, due to the world oil surplus, will lead to a reduced demand for Egyptian workers abroad and, thus, to a reduced flow of remittances. There is no evidence that this will happen, however, and Mr. Salama waved the possibility aside entirely.

U.S. AID Goals: Record Program, Maximum Impact

CAIRO — Egypt is the beneficiary of the United States' biggest civilian aid program, roughly \$1 billion a year.

Ironically, the U.S. AID program is embarking on a \$100-billion project to save the Aswan Dam by repairing vital turbine parts that are wearing out. The runners — three-meter-wide mounts holding the blades in the turbines that generate electricity at the dam's base — are starting to crack, and their replacement by Alfa Laval over the next six years will save Egypt from massive blackouts.

Yet, the United States has found no counterpart for the Soviet Union's Aswan Dam. Controversial, it nonetheless is a permanent reminder to Egyptians of the tangible advantage of Soviet friendship. Today, in Egypt, Japan — whose aid is a fraction of the U.S. contribution — is lavishing its help on the reconstruction of the Cairo opera house. Needed or not, the rebuilt opera (replacing one that burned down under Sadat) will be a reminder of Japanese generosity, diplomats said. China, for example, is building a massive friendship hall in Cairo for similar propaganda reasons.

Egyptians are doing a little better than we're spending a billion dollars a year because Sadat turned to the West," Mr. Stone said in an interview, adding that some hints of change make him "remain optimistic" that Egypt — by a combination of aid and its own efforts — can reverse the current bad economic trends.

But Mr. Stone wants to make some changes in light of his experience. In particular, he wants to reverse the policy of his predecessor, who held the post nine years, of injecting U.S. aid into hundreds of Egyptian activities, from buying cigarette tobacco and hamburger meat to installing power plants and buying buses.

"All this had to be done; nothing had been repaired in this country for 20 years," Mr. Stone acknowledged in his soft-spoken way. "But I'm not sure that enough Egyptians realized the extent of our help." He wants fewer, bigger, more quality projects — with more impact on Egyptian imaginations.

In blunter terms, the United States is looking for a way to trump the Soviet-built Aswan Dam, which regulated the flow of

(Continued on Page 125)



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(Million Dollars)

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Due to Banks and Correspondents	120
Capital and Reserves	20

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Loans and Advances	139
Cash and Due from Banks and Correspondents	225

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EGYPT

Armed Forces Turn to Civilian Jobs

By Kate Finch

CAIRO — The Egyptian armed forces have moved into a peacetime role that is gradually changing the face of Cairo and its suburbs, as the men in uniform lay telephone lines and build footbridges.

The idea of using the armed forces for non-military duties came into being with the peace negotiations after the 1973 war with Israel. No longer having to face its enemy of the last 30 years, the army had a need for new goals. It had several advantages to offer the civilian world. It could provide a pool of skilled workers at a time when Egypt's skilled civilians were leaving for the high salaries of the Gulf states. And it was cheap, too (a private earns about \$14 a month take-home pay).

Concurrently with the civilian projects, a major training program has been set up to give a skill to Egyptians doing their three years of military service. Moreover, an extensive literacy program was included to alleviate the civilian skilled-labor shortage.

The army has proved more than a match for its civilian counter-

parts. The telephone projects have been efficient and on time — not qualities generally associated with Egyptian public sector enterprises.

"For the army, orders are orders, so we're bound to be more efficient," one officer assigned to civilian duties said.

For three years, the Army Signal Corps has invaded one suburb after another to dig up the streets and lay new lines. Telephones long presumed dead have sprung to life and the outer suburbs of Maadi and Heliopolis are no longer removed from the rest of the capital. Garden City, the last outpost of bad lines, on the island of Zamalek, will be tackled this summer.

Renewing telephone lines is the most eye-catching of a series of projects to which the army has turned its hand. A number of automatic bakeries have been built and put into operation, staffed by the army. The Engineering Corps has erected footbridges over congested Cairo streets, using bridge-building techniques employed to cross the Suez Canal in the 1973 war. There are plans for a major program of land reclamation, including 10,000 hectares (25,000 acres) in West Nu-

bary, on the edge of the Nile Delta, and two thousand hectares in the desert oasis of Fayoum.

Initially, the reclaimed land will

provide food for the army and their dependents. Eventually, the hope is

for food self-sufficiency, with

enough production to feed eight million people.

This is not the first time that the army has made forays into civilian life. Apart from the revolution in 1952, which has put ex-officers in command of politics for the last 30 years, military factories have a long history of producing spare goods for the non-military market. Since World War II, it has been common for the same factory to turn out parts for armored personnel carriers and equipment for an automated bakery.

The Ministry of Military Production controls about 10 percent of Egypt's non-military industrial output. Will the army's current success with civilian projects lead to more military involvement in the running of the country's services?

The question, put to Defense Minister Abdel Halim Abu Ghazala in a recent interview, received a nega-

tive answer. There was, the minister said, no question of the army running services like public transport, in which an officer might be giving orders to civilian employees.

It appears that this kind of involve-

ment with public life might cause

friction with the army's civil coun-

terparts.

Civilian involvement remains per-

ipheral to the main purpose of the

army, which is to defend the country and peace with Israel has made

no difference to its size of about

half a million men. Plans to reduce

the armed forces appear to have

been abandoned soon after the as-

sassination of President Anwar Sadat in 1981. The argument runs

that Egypt needs to protect itself

against the possible excesses of Li-

by and the threat of instability in

Sudan.

Working on civilian projects,

perhaps surprisingly, appears to be

popular among officers, who feel

that at least they are doing a useful

job instead of training endlessly

with no particular end in view. As

a result, the civilian program

has proved useful both for the ben-

efits it gives the public and the role

it provides for its organizers.

Red Sea: Zone of Increasing Security Interest

By William B. Quandt

WASHINGTON — The Red Sea zone — which has always preoccupied Egyptian leaders — has tangible, increasingly important economic and strategic interests.

When the late Egyptian President Anwar Sadat used to talk with U.S. officials about his foreign policy concerns, the conversation would at some point always turn to the countries along the Red Sea. Sudan, Ethiopia, Somalia, the two Yemens and, of course, Saudi Arabia. It remains a top priority for the Egypt of Hosni Mubarak, with the difference that the quality of the U.S.-Egyptian dialogue seems to have deteriorated.

What accounts for this persistent Egyptian interest in a geostrategic zone that much of the world, including the United States, seems to ignore? Part of the reason is defensive. Egypt depends for its survival in Iran in 1979; Faced with this potential threat in the Gulf, some Arab oil producers began to look to the Red Sea as a second outlet for their oil.

Nearly all of the oil produced in the Gulf is exported by tanker through the Strait of Hormuz, and some finds its way through the Red Sea to the Suez Canal and on to Europe. But with the advent of the Khomenei regime in Iran and the outbreak of war between Iran and Iraq in September 1980, some Arab oil producers began to think about the alternative — and safer — routes for their oil.

Saudi Arabia was the first oil-producing country to act with the opening of a Petroleum pipeline carrying oil from the Ghawar field in the eastern province to the port of Yanbu on the Red Sea. At maximum capacity, it can carry 1.85 million barrels a day. A parallel pipe transports natural gas liquids. Much of the gas is destined for large petrochemical plants nearing completion at Yanbu.

Iraq also has considered the possibility of building a pipeline from its southern fields to the Red Sea in order to avoid the Iranian stranglehold in the Gulf. So far, there has been little more than an agreement in principle between Iraq and Saudi Arabia, and the current state of both the oil market and the financial condition of Iraq work against the actual implementation of the project.

If the Saudi and Iraqi plans were to be carried out, one could imagine a change in middle markets.

(Continued From Preceding Page)

43 projects respectively, as the most effective, most self-reliant operators.

Mr. Shindt stressed what he sees as a change in middle markets. "Western businesses got accustomed to the oil boom to export more and more to the area," he said. "But, mark my words, that strategy has peaked. An intelligent businessman has no alternative but to start producing in the area."

Egypt is the ideal manufacturing base, he said, citing a list of post-

tive factors: a big domestic market, a reservoir of trained labor, a manufacturing base with many domestic raw materials, trained technical staff, proximity to markets (12 hours by ship to Saudi Arabia), a cosmopolitan, hospitable capital with fewer constraints of language or lifestyle than many other cities in the region.

To underline his point, Mr. Shindt said that Egypt's "political relations with the Gulf states are improving and that there are no restrictions on Egyptian exports to the Gulf."

— JOSEPH FITCHETT

Economic Growth Tied to Region Oil Trends

(Continued From Page 78)

few fast cars driving Mercedes through a Cairo slum," a long-time resident said. Yet some form of miracle always has turned up.

The government, knuckling down to the task, has a central problem: the issue of subsidies. Almost all Egyptians (exceptions include employees of foreign companies) get cheap government-subsidized bread, rice, tea, cooking oil, butane gas and meat.

The annual bill is \$2.4 billion — roughly the treasury's deficit. Much of these subsidized goods have to be imported, aggravating the foreign exchange crisis. And the subsidy system distorts economic decisionmaking throughout the economy. The public sector, for example, has to operate largely with subsidized building materials, which are in chronically short supply, partly because a proportion of output is siphoned into the black market, where state-owned firms are forbidden to procure.

The problem is politically volatile. Egyptian consumers have been protected from world inflation and officials are quick to mention the Cairo riots in 1977 when the Sadat government tried to raise bread prices. A similar explosion now, they fear, might provide a new base on life for Moslem extremists, who otherwise seem momentarily under control.

Moreover, the subsidy system seemed a simple way for Egypt, with its clumsy bureaucracy, to distribute the windfall profits from

oil. Instead of making tough investment decisions, the government just gave away the profits in the form of cheap staples, allowing Egyptians to spend the money they saved on food on other consumer items. Now the reverse has happened. Without oil money, the heavy consumption is bankrupting Egypt.

But the unwieldy bureaucracy is probably incapable of the most obvious reform: retargeting subsidies to limit them to the needy.

The Mubarak approach — in this as elsewhere — has been cautious. The government has capped subsidies at their present level — a relatively painless gesture so far because commodity prices dropped last year, so more mostly subsidized goods were imported for the same

money. Meanwhile, however, electricity prices have been raised twice, without publicity. Some crops have been eased off the subsidy list, so farmers can be paid more for them.

Many Egyptians, especially businessmen, are impatient with what they see as uncertainty on the part of Mr. Mubarak in implementing his reforms. For example, the crackdown on corruption is part of Mr. Sadat and also of reviving public confidence in business. But some arrests have appeared arbitrary — chilling the atmosphere among many potential entrepreneurs and the government officials with whom they must work.

"Mubarak still has not grasped the full power of his job; he has not asserted himself confidently enough yet against the bureaucrats," an Egyptian politician said.

This uncertainty in the business climate is a major stumbling block in the government's campaign to revive the economy. It is a more elusive problem than the clearly defined political opposition that Mr. Sadat was able to remove at a stroke. While Mr. Mubarak faces fewer immediate threats, the specter of accelerating economic decay alternates in evaluations of Egypt with hopes based on the resilience of Egyptians — many of whom are returning home from self-imposed exile.

Mr. Mubarak is respected for his diagnosis of Egypt's economic ills, his increasing readiness to hear businessmen's complaints and his candor in explaining the need for austerity and reform.

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Investments	190,791.000	Reserves & Provisions	61,819,000
Loans & Advances	2,315,921.000	Deposits	3,298,280,000
Other Assets	82,319.000	Other Liabilities	507,496,000
Total	3,887,595.000	Total	3,887,595.000

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Loans, advances and bonds	269.5	397.8	346.8	485.2	448.9
Capital, paid up	100.0	100.0	100.0	100.0	100.0
Reserves	70.0	78.0	87.0	95.0	110.0
Total balance sheet	1,064.6	1,159.3	1,352.9	1,559.2	1,918.4
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EGYPT

U.S. AID Goals: Record Program, Maximum Impact

(Continued From Page 9S)
the United States approves. These disagreements stem from Egypt's strong commitment to government ownership, from the persistence of huge subsidies for staple commodities and from different cultural outlooks.

Although U.S. AID is operating on instructions to stimulate the private sector, Mr. Stone said that, realistically, in a country where 75 percent of production comes from the private sector, "we're not going to change it overnight, and we shouldn't try."

"What we want is to make the state more market conscious," he said.

The U.S. AID approach is evident, for example, in the Suez Cement Company — a new set of U.S.-assisted factories designed to help Egypt reduce its heavy imports of cement. The new company is privately owned, but the existing public-sector cement companies will own shares in them — a formula designed to reduce the feeling of rivalry and also spread free-enterprise management techniques to the top levels of the state-owned companies.

The state-owned companies enjoy lavish subsidies, particularly on energy, which the new firm will have to do without, and they hope to remain competitive by better management and by gradual willingness of the Egyptian government to make the public sector operate without subsidies.

Subsidies are the bitterest bone of contention between U.S. donors and Egyptian beneficiaries. The Mubarak government is reluctant to tamper with the system even though Egyptian economists acknowledge that the government cannot afford, for example, to sell energy at one-fifth the world price.

The quarrel over energy subsidies is so acute that U.S. officials have hinted at a two-year ban on aid to new energy projects in an effort to change Egyptian policy.

A U.S. ban already applies against helping a pet Egyptian project — reclaiming desert land to add to the country's arable surface. U.S. officials are unconvinced by the Egyptians' results. "They claim to have reclaimed 900,000 acres [360,000 hectares], but at least 400,000 acres have been lost again to urban sprawl — and some more

— JOSEPH FITCHETT

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Young Bedouins load a camel in the Sinai desert.

Public Sector Is Still Thriving Decade After 'Open-Door' Policy

CAIRO — It has been nearly 10 years since the Egyptian government opened the door to economic liberalization and today the public sector is thriving and responsible for almost 80 percent of industrial output.

There is no sign that the balance will substantially change as private-sector growth increases. President Hosni Mubarak has made it clear that there is no question of dismantling the public sector. The promise is backed up by the 1982-86 five-year plan, which gives Nasser-style socialism a central role in the economic order.

Mr. Stone acknowledged that he intends to close a \$30-million project designed to encourage private investment. The problems are legion: there is little understanding of — and little information about — the private sector in Egypt, which has been stunted by 30 years of Nasser-style socialism.

There are contradictions in the idea of "aiding" the private sector. U.S. AID requires its beneficiaries to import U.S.-made goods, yet the private sector, applying the profit motive, wants to import cheaper from Europe.

Despite all the blemishes, Mr. Stone says he remains an optimist. "The birthrate seems to be falling," he said. (Several times a month, he signs an order sheet for 12 million condoms — a few days' supply in Egypt.) "The government is allowing private investment to handle new growth while leaving the public sector stable and Egypt does have potential — for example, by exporting special farm products such as cotton, strawberries, asparagus," he said. "If they can gradually gain enough confidence to raise wages instead of paying subsidies, the country might get moving again."

— JOSEPH FITCHETT

cial year. Overall production this year, as tried, is up by 13 percent.

The decision to keep state control intact suggests that Egypt's experience with nationalized industries has been a happy one. However,

critics say that the public sector — producing everything from cement to cooking oil — is a byword for inefficiency, clogging bureaucracy and poor quality and they point to the sector's overall annual loss. So far, political considerations apparently have excluded change, although reform frequently is debated.

Since it was set up in the late 1950s and 1960s, the public sector has been much more than a way to let the state control industry. It is also Egypt's version of the welfare state, guaranteeing lifetime employment to its workers and cheap goods to the whole of the population.

Many prices, like those of soap, pharmaceutical drugs and butane gas, have stayed almost the same for 20 years. Meanwhile, inflation has spiraled and the Egyptian pound has plunged. Each year, as industrial costs rise, bigger government subsidies have to cover the shortfall.

A substantial price rise for a basic product is out of the question, for fear of causing political discontent. The prices of cars and soft drinks have risen recently, but only because they are, relatively speaking, luxury goods.

The public sector has also been

the victim of politics," said Heba Handouza, a lecturer in economics at Cairo's American University, who also acts as an adviser to the Ministry of Industry. "It has almost been destroyed by the insistence that prices be kept low."

Equally pernicious are policies that provide energy to public-sector industries at next to nothing. This, U.S. economic analysts say, distorts the whole pattern of investment in industry, throwing real costs out of line.

Harnessed to the problem of prices is that of wages and employment, again an issue that politicians prefer to push to one side. The public sector is massively overmanned and absurdly underpaid.

Until recently, all graduates were entitled to work with state industry, whether there was a job to do or not. Once taken on, employees cannot be dismissed. Overemployment, allied with price controls, and the consequent necessity to keep costs as low as possible, mean that pay in the public sector stays low.

Leaders of public-sector industries have spent the last five years complaining about price controls, but to little effect. Instead, debate on reform has mainly concentrated on problems of management — who should be the decisionmakers, how much autonomy individual companies should be allowed and whether a new layer of authority should exist between the companies and their controlling ministries.

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Dow Jones Averages

	Open	High	Low	Close	Chg.	Clos.
20 Ind.	124.44	125.00	123.34	124.24	+1.20	
20 Trn.	212.21	213.00	211.34	212.44	+0.23	
15 Util.	129.61	130.42	128.92	130.21	+0.60	
15 SH.	479.17	484.07	475.85	480.85	+2.21	

Standard & Poors Index

	High	Low	Close	Chg.	Clos.
Composite	182.94	182.11	181.25	-0.43	181.25
Utilities	182.15	182.15	181.25	-0.43	181.25
Finance	63.15	63.15	62.85	-0.30	62.85
Trans.	23.53	23.53	23.53	-0.07	23.53

Odd-Lot Trading in N.Y.

	Buy	Sell	Chg.	Chg.	Clos.
June 3	221.23	209.47	-5.76	-5.76	209.47
June 2	215.47	207.60	-7.87	-7.87	207.60
May 31	215.47	207.60	-7.87	-7.87	207.60
May 27	215.47	207.60	-7.87	-7.87	207.60

Included in the sales figures.

Market Summary, June 6**Market Diaries****NYSE****AMEX Stock Index****AMEX****Vol. Up****Vol. Down****Deals****Div.****Fin.****Trans.**

BUSINESS BRIEFS

U.S. 'Windfall-Profits' Tax on Oil Is Upheld by the Supreme Court

WASHINGTON (Combined Dispatches) — The U.S. Supreme Court upheld on Monday the constitutionality of the 1980 "windfall-profits" tax on oil, which produces billions of dollars in annual revenue.

The 9-0 ruling removed uncertainty from the tax, which had been declared unconstitutional by a lower court on the ground that it unfairly exempted new oil produced above the Arctic Circle, with the exception of the Prudhoe Bay field on the North Slope of Alaska.

The levy produced an estimated \$26 billion in revenues as of last Oct. 1. By 1990, government officials expect the tax to bring in a total of \$225 billion.

Justice Lewis F. Powell, in his opinion for the Supreme Court, said: "Congress may take geographic considerations into account in deciding what oil to tax."

Japan Asks U.S. GATT Delay

TOKYO (AP) — The Japanese government has asked the United States to delay submitting a formal request for consultations about Japan's agricultural-import barrier to the General Agreement on Tariffs and Trade, the U.S. Embassy said Monday.

Japanese news reports, quoting government sources, said Washington had agreed to the delay until after parliamentary elections June 26. But embassy officials said the office of William E. Brock, the U.S. trade representative, had not decided whether to take the dispute to GATT.

The Foreign Ministry said that the Japan had only sought information on the GATT appeal and had been told that the United States has yet to reach a decision. At issue are Japan's import curbs on 15 agricultural items, including noncitrus fruit juice, peanuts and some beans.

Eastern Staff Backs Concessions

MIAMI (AP) — Eastern Airlines' 16,000 nonunion employees have taken the troubled airline another step toward financial health by voting to accept new wage concessions, officials say.

The employees, including members of Eastern management, agreed to divert 10 percent of their pay into two in-house investment programs, a move that may help the Miami-based carrier save \$200 million by the end of 1984. The vote was announced Sunday.

BTR Increases Stake in Tilling

LONDON (Reuters) — BTR said Monday it had increased its stake in Thomas Tilling to just above 27 percent. BTR is bidding almost £700 million (\$1.1 billion) in an attempt to take over Tilling.

BTR bought about 3.5 million shares at 225 pence each on Friday and said it is continuing to make further purchases.

BTR's bid — 11 BTR shares for every 20 in Tilling, or 225 pence cash per Tilling share, closed Wednesday. Tilling's board continues to resist the takeover attempt vigorously.

Volvo to Buy 20% of Oil Firm

STOCKHOLM (Reuters) — Sweden's biggest carmaker, Volvo, is attempting again to buy its way into Norway's oil operations as the latest step in its policy of moving away from vehicles and into oil.

In 1979 Volvo tried to transfer 40 percent of its stock to Norway in an oil-for-cars deal. But the plan aroused political opposition in Norway and was vetoed by Volvo's Swedish shareholders.

A statement released by Volvo on the weekend said the company was to take a 20-percent stake in the privately owned oil company Saga Petroleum, a Norwegian oil company operating in the North Sea.

Baldwin Expects to Post Big Loss

CINCINNATI (Reuters) — Baldwin-United Corp. said Monday it expects to report a large first quarter loss, probably more than \$100 million. For the first quarter of 1982, Baldwin-United had a profit, as previously restated, of \$18 million.

It also said its quarterly report to the Securities and Exchange Commission for the first quarter of 1983 will be delayed for at least several more weeks due to substantial accounting issues associated with its suspended single premium deferred annuity business and the large demand on the company's staff caused by negotiations with creditors.

Greenspan's Next Stop May Be the Fed

New York Times Service

NEW YORK — Alan Greenspan recently attended Henry Kissinger's lavish 60th birthday party accompanied by Barbara Walters. Mr. Greenspan, at age 57, is one of the most popular guests on New York's party circuit — and one of the United States' most sought after economists.

Now, the bespectacled, soft-spoken Mr. Greenspan is being talked about for what would be his most lofty position. He is a popular choice to be chairman of the Federal Reserve Board, should Paul A. Volcker, the current occupant, not be reappointed by the president in early August.

It is the areas that he has confronted, from the recent revision of the Social Security System to his three-year stint as chairman of the Council of Economic Advisors under President Gerald R. Ford, that have made the business of being Alan Greenspan such a success. He has been in the right place at the right time: A consistently conservative economist in an era when the prevailing winds were shifting from left of center to some what right of center.

Those who know him say that they think he would take the job at the Fed if asked, although several thought that it would be hard for him to leave Townsend-Greenspan, the economic-consulting firm that he and the late William Townsend founded in 1953. Although Mr. Greenspan, who holds the vast majority of the stock in the privately held firm, will not discuss either its finances or its clientele, others familiar with the firm say it is very profitable, with nearly 200 clients from among the largest financial



Alan Greenspan

institutions and manufacturers in the nation.

Townsend-Greenspan, with 35 employees, is almost a moon-and-pop operation. Mr. Greenspan is clearly pop, and moon is executive vice-president M. Kathryn Eckhoff, who ran the business while Mr. Greenspan was chairman of the Council of Economic Advisors.

Mr. Greenspan says he is most comfortable at work in his New York office overlooking the tip of Manhattan and New York Harbor, where he is in easy reach of the Townsend-Greenspan library and its blue binders full of statistical data.

For high fees, his clients can buy into a wide array of computerized services, data banks and consultations with the senior economists — or even with Mr. Greenspan himself. Townsend-Greenspan's fees range from as low as \$15,000 a year to \$200,000 and up.

The firm's senior staff, including Miss Eckhoff, Judith Mackey and Lucille Wu, is mostly female. Mr. Greenspan explains the gender bias with the free-market pragmatism that has become his hallmark: "I always valued men and women equally, and I found that because others did not, good women economists were cheaper than men. So hiring women does two things: It gives us better quality work for less money, and it also raises the market value of women."

Mr. Greenspan began his economics career working at the Conference Board and has had a fascination with basic industry ever since. Most recently he has become involved in analyzing international financial institutions.

He first emerged in the public eye in the Nixon administration, when he came to Washington when President Richard M. Nixon appointed him chairman of the Council of Economic Advisors just before Mr. Nixon's resignation in 1974. It was his former teacher Arthur Burns, then chairman of the Federal Reserve Board, who suggested Mr. Greenspan for the job.

"What you needed at the CEA was a good business analyst who understood economic trends," said Mr. Burns, now the U.S. ambassador to West Germany.

Once in Washington, Mr. Greenspan quickly became Gerald R. Ford's most important economic adviser.

Though he returned to New York six years ago, Mr. Greenspan has remained active in Washington, among other things helping to draft an economic-agenda speech for candidate Ronald Reagan.

He is loyal to the Reagan White House, and well known to the president's top aides, and was therefore a logical candidate to head the commission that President Reagan established in late 1981 to formulate a plan for saving the Social Security System.

It might seem contradictory for Mr. Greenspan to take on such a task. After all, he like Miss Eckhoff, has for decades been a follower of the resolutely free-market Objectivist philosophy outlined by the writer Ayn Rand in her best-selling novels, "Atlas Shrugged" and "The Fountainhead," and her nonfiction books.

But despite Mr. Greenspan's theoretical convictions, he is nothing if not pragmatic.

"Do I like the present Social Security System? No," he said. "If you asked me whether it would be necessary in the ideal society, I'd say no. Our type of economy is far removed from where I would like to see it, but you have to be careful about moving from one type of society to another. I am not unaware of the technical problems of transition."

It is in part a testament to Mr. Greenspan that the report that the commission produced in January did not end up on the shelf, but was quickly and enthusiastically adopted by Congress, even though it called for increasing payroll taxes, postponing cost-of-living increases and taxing some benefits — three hot potatoes for Washington policymakers.

Over-the-Counter

June 6

Sales In	NASDAQ National Market Prices				
1982	High	Low	3pm	Close	Net
AGS	89	34%	34	34%	-1
AGT	125	30%	29	29%	+1
Agilex	203	30%	201	20%	+2
Alcatel S	203	20%	201	20%	+2
Alcatel T	275	22%	271	22%	+4
Alcatel U	245	20%	241	20%	+4
Alcatel V	245	20%	241	20%	+4
Alcatel W	245	20%	241	20%	+4
Alcatel X	245	20%	241	20%	+4
Alcatel Y	245	20%	241	20%	+4
Alcatel Z	245	20%	241	20%	+4
Alcatel A	245	20%	241	20%	+4
Alcatel B	245	20%	241	20%	+4
Alcatel C	245	20%	241	20%	+4
Alcatel D	245	20%	241	20%	+4
Alcatel E	245	20%	241	20%	+4
Alcatel F	245	20%	241	20%	+4
Alcatel G	245	20%	241	20%	+4
Alcatel H	245	20%	241	20%	+4
Alcatel I	245	20%	241	20%	+4
Alcatel J	245	20%	241	20%	+4
Alcatel K	245	20%	241	20%	+4
Alcatel L	245	20%	241	20%	+4
Alcatel M	245	20%	241	20%	+4
Alcatel N	245	20%	241	20%	+4
Alcatel O	245	20%	241	20%	+4
Alcatel P	245	20%	241	20%	+4
Alcatel Q	245	20%	241	20%	+4
Alcatel R	245	20%	241	20%	+4
Alcatel S	245	20%	241	20%	+4
Alcatel T	245	20%	241	20%	+4
Alcatel U	245	20%	241	20%	+4
Alcatel V	245	20%	241	20%	+4
Alcatel W	245	20%	241	20%	+4
Alcatel X	245	20%	241	20%	+4
Alcatel Y	245	20%	241	20%	+4
Alcatel Z	245	20%	241	20%	+4
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Alcatel R	245	20%	241	20%	+4
Alcatel S	245	20%	241	20%	+4
Alcatel T	245	20%	241	20%	+4
Alcatel U	245	20%	241	20%	+4
Alcatel V	245	20%	241	20%	+4
Alcatel W	245	20%	241	20%	+4
Alcatel X	245	20%	241	20%	+4
Alcatel Y	245	20%	241	20%	+4
Alcatel Z	245	20%	241	20%	+4
Alcatel A	245	20%	241	20%	+4
Alcatel B	245	20%	241	20%	+4
Alcatel C	245	20%	241	20%	+4
Alcatel D	245	20%	241	20%	+4
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Alcatel H	245	20%	241	20%	+4
Alcatel I	245	20%	241	20%	+4
Alcatel J	245	20%	241	20%	+4
Alcatel K	245	20%	241	20%	+4
Alcatel L	245	20%	241	20%	+4
Alcatel M	245	20%	241	20%	+4
Alcatel N	245	20%	241	20%	

HOTLINE

Open High Low Close Chg

Grains

	Open	High	Low	Close	Chg
WHEAT	\$5.00 bu minimum; dollars per bushel				
Jul	3.45 1/2	3.61 1/2	3.51 1/2	3.50 1/2	+0 1/2
Sep	3.35 1/2	3.50 1/2	3.30 1/2	3.30 1/2	+0 1/2
Oct	3.35 1/2	3.50 1/2	3.25 1/2	3.25 1/2	+0 1/2
Mar	3.67 1/2	3.82 1/2	3.62 1/2	3.62 1/2	+0 1/2
May	3.25	3.30	3.25	3.25	+0 1/2
Jul	3.25	3.25	3.25	3.25	+0 1/2
Prev. sales: 7,341					
Prev. day's open int: 37,354					

	Open	High	Low	Close	Chg
CORN	\$3.00 bu minimum; dollars per bushel				
Jul	2.65 1/2	2.70 1/2	2.65 1/2	2.65 1/2	+0 1/2
Sep	2.50 1/2	2.55 1/2	2.50 1/2	2.50 1/2	+0 1/2
Oct	2.81 1/2	2.85 1/2	2.75 1/2	2.75 1/2	+0 1/2
Mar	2.89 1/2	2.94 1/2	2.84 1/2	2.84 1/2	+0 1/2
May	2.89 1/2	2.94 1/2	2.84 1/2	2.84 1/2	+0 1/2
Jul	2.81 1/2	2.85 1/2	2.84 1/2	2.84 1/2	+0 1/2
Prev. sales: 1,384					
Prev. day's open int: 15,884					

	Open	High	Low	Close	Chg
SOYBEAN OIL	\$3.00 bu minimum; dollars per bushel				
Jul	4.22 1/2	4.25 1/2	4.22 1/2	4.22 1/2	+0 1/2
Aug	4.22 1/2	4.25 1/2	4.22 1/2	4.22 1/2	+0 1/2
Sep	4.27	4.34	4.25	4.25	+0 1/2
Oct	4.24	4.34	4.25	4.25	+0 1/2
Mar	4.26 1/2	4.34 1/2	4.25 1/2	4.25 1/2	+0 1/2
May	4.26 1/2	4.34 1/2	4.25 1/2	4.25 1/2	+0 1/2
Jul	4.26 1/2	4.34 1/2	4.25 1/2	4.25 1/2	+0 1/2
Prev. sales: 2,000					
Prev. day's open int: 15,884					

	Open	High	Low	Close	Chg
SUGAR WORLD 11	\$1000 lbs minimum; dollars per hundred				
Jul	11.75	11.85	11.70	11.75	+0.15
Sep	11.75	11.80	11.65	11.70	+0.15
Oct	11.75	11.80	11.65	11.70	+0.15
Mar	12.00	12.05	11.95	11.90	+0.15
May	12.00	12.05	11.95	11.90	+0.15
Jul	12.00	12.05	11.95	11.90	+0.15
Prev. sales: 2,000					
Prev. day's open int: 15,884					

	Open	High	Low	Close	Chg
COFFEE C	\$1000 lbs minimum; dollars per hundred				
Jul	127.25	128.25	124.50	127.00	+1.15
Sep	126.75	128.10	127.25	127.00	+1.15
Oct	126.75	128.10	127.25	127.00	+1.15
Mar	124.50	126.50	122.50	124.50	+1.15
May	124.50	126.50	122.50	124.50	+1.15
Jul	124.50	126.50	122.50	124.50	+1.15
Prev. sales: 2,000					
Prev. day's open int: 10,888					

	Open	High	Low	Close	Chg
SUGAR WORLD 11	\$1000 lbs minimum; dollars per hundred				
Jul	11.75	11.85	11.70	11.75	+0.15
Sep	11.75	11.80	11.65	11.70	+0.15
Oct	11.75	11.80	11.65	11.70	+0.15
Mar	12.00	12.05	11.95	11.90	+0.15
May	12.00	12.05	11.95	11.90	+0.15
Jul	12.00	12.05	11.95	11.90	+0.15
Prev. sales: 2,000					
Prev. day's open int: 15,884					

	Open	High	Low	Close	Chg
COCA COLA	\$1000 metric tons; \$ per metric ton				
Jul	207.0	208.0	207.0	207.0	+0.00
Sep	207.0	208.0	207.0	207.0	+0.00
Oct	207.0	208.0	207.0	207.0	+0.00
Mar	212.0	212.0	212.0	212.0	+0.00
May	212.0	212.0	212.0	212.0	+0.00
Jul	212.0	212.0	212.0	212.0	+0.00
Prev. sales: 2,000					
Prev. day's open int: 15,884					

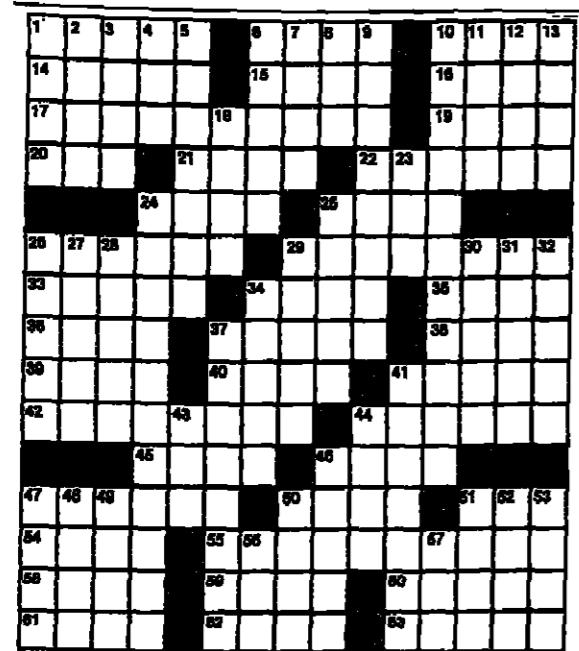
	Open	High	Low	Close	Chg
SOYBEAN MEAL	100 tons; dollars per ton				
Jul	171.75	181.25	170.00	181.25	+0.00
Sep	171.75	181.25	170.00	181.25	+0.00
Oct	171.75	181.25	170.00	181.25	+0.00
Mar	171.75	181.25	170.00	181.25	+0.00
May	171.75	181.25	170.00	181.25	+0.00
Jul	171.75	181.25	170.00	181.25	+0.00
Prev. sales: 2,000					
Prev. day's open int: 15,884					

	Open	High	Low	Close	Chg
SOYBEAN OIL	\$3.00 bu minimum; dollars per bushel				
Jul	17.10	18.10	17.00	18.10	+0.00
Sep	17.10	18.10	17.00	18.10	+0.00
Oct	17.10	18.10	17.00	18.10	+0.00
Mar	17.10	18.10	17.00	18.10	+0.00
May	17.10	18.10	17.00	18.10	+0.00
Jul	17.10	18.10	17.00	18.10	+0.00
Prev. sales: 2,000					
Prev. day's open int: 15,884					

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JULY 1983

CROSSWORD

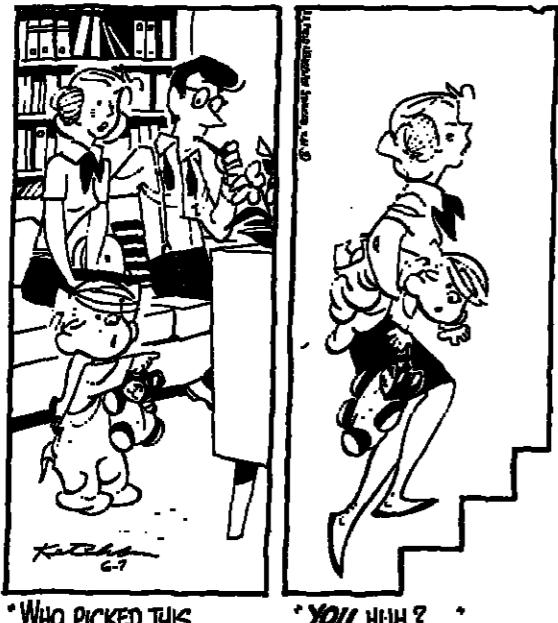


ACROSS

- 1 Cutting —
- 2 Risky venture on Wall St.
- 3 Beatles film
- 4 Describing a route from N.A. to London
- 5 "We're ..." Altman film
- 6 Inter—
- 7 Family insignia
- 8 U.S. portrait painter
- 9 Movie follower
- 10 Chap—
- 11 Ancient hymn of praise
- 12 Raised
- 13 Char's "eye, eye,"
- 14 Verses
- 15 Room and Martin once
- 16 Depression Surrealist painter
- 17 Wallis
- 18 "Metamorphosis" poet
- 19 "Metamorphosis" poet
- 20 Sonnet, for one
- 21 Small tree
- 22 Acrostic
- 23 Ancient hymn of praise
- 24 Raised
- 25 Char's "eye, eye,"
- 26 "Metamorphosis" poet
- 27 "Metamorphosis" poet
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- 40 "Metamorphosis" poet
- 41 "Metamorphosis" poet
- 42 Kind of line at
- 43 Detroit
- 44 Refugees
- 45 Dunes
- 46 Field mouse
- 47 Punch-drunk (in two senses)
- 48 Fum for Ford
- 49 Brit V.I.P.'s
- 50 N.A. to London
- 51 We're ...
- 52 Afghan bigwig
- 53 55 Dies —
- 54 Model
- 55 Hot spots for tons
- 56 Word with cast or reel
- 57 Silverheels or Todd role
- 58 Offshoot of a N.Y. group formed in 1868
- 59 Animal trainer's prop
- 60 5 W's
- 61 Sports
- 62 Ball-park purchase
- 63 "Up and Cheer"
- 64 Boston, for one
- 65 Small tree
- 66 Line dance
- 67 Intimately
- 68 Robert—
- 69 "Oklahoma!"
- 70 "Annie of Oklahoma!"

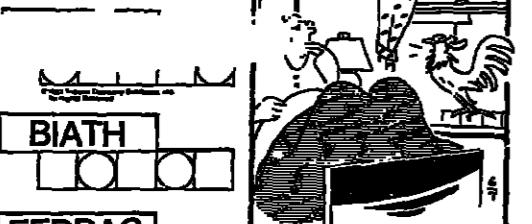
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DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



Answer: IT

ON

(Answers tomorrow)

Yesterday's Jumble: MILKY OZONE TOUCHY GOTTER

Answer: What a husband misses when his wife isn't HOME COOKING

WEATHER

EUROPE

ASIA

AFRICA

LATIN AMERICA

NORTH AMERICA

MIDDLE EAST

OCEANIA

TUESDAY'S FORECAST — CHANNEL: Color. FRANKFURT: Partly. Temp. 26-27 (78-79). LONDON: Showers. Temp. 19-20 (64-65). MUNICH: Cloudy. Temp. 26-27 (78-79). PARIS: Partly cloudy. Temp. 26-27 (78-79). ROME: Partly cloudy. Temp. 26-27 (78-79). TOKYO: Partly cloudy. Temp. 26-27 (78-79). TAIPEI: Partly cloudy. Temp. 26-27 (78-79). TEL AVIV: Partly cloudy. Temp. 26-27 (78-79). TUNIS: Partly cloudy. Temp. 26-27 (78-79). WASHINGTON: Partly cloudy. Temp. 26-27 (78-79). SINGAPORE: Partly cloudy. Temp. 26-27 (78-79). SEUL: Showers. Temp. 26-27 (78-79). KABUL: Partly cloudy. Temp. 26-27 (78-79). BEIRUT: Partly cloudy. Temp. 26-27 (78-79). BAGHDAD: Partly cloudy. Temp. 26-27 (78-79). BAHRAIN: Partly cloudy. Temp. 26-27 (78-79). DUBAI: Partly cloudy. Temp. 26-27 (78-79). JERUSALEM: Partly cloudy. Temp. 26-27 (78-79). KUWAIT: Partly cloudy. Temp. 26-27 (78-79). LEBANON: Partly cloudy. Temp. 26-27 (78-79). QATAR: Partly cloudy. Temp. 26-27 (78-79). RAKKAH: Partly cloudy. Temp. 26-27 (78-79). 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SPORTS



Decathlete Jürgen Hingsen

Hingsen Sets Record Of 8,777 in Decathlon

BONN — Jürgen Hingsen of West Germany recaptured the world record in the decathlon at a meet Sunday night in Bernhausen with a total of 8,777 points, breaking Britain's Daley Thompson's mark by 34 points.

Hingsen held the record before the Briton broke it last year with a 8,743-point performance.

"It was really just a test," said Hingsen Monday of his qualifying competition for August's world championships in Finland. "I only wanted to see where I stand. I felt fresher after the 1,500 meters" — the final discipline — "than I have ever felt after decathlon. I could still do better, particularly in the first-day events."

Hingsen and Thompson have swapped world records twice in 13 months and seem set for an epic showdown in Helsinki. In May 1982, Thompson took the record from another West German, Guido Kutschmer, with 8,704 points. Hingsen improved on that mark by

19 last August, but held the record for only three weeks before Thompson routed him in the European Championships in Athens.

On Monday, Wolfgang Bergmann, West Germany's national trainer, attributed the disappointing Athens showing to Hingsen's having allowed his world record to go to his head. Bergmann said

Hingsen had not trained seriously, and that "will only happen to Jürgen once" — he has become much more disciplined."

On the first day of his Bernhausen decathlon, Hingsen, 25, ran the 100 in 10.92 seconds, long-jumped 7.74 meters (25' 52 feet), put the shot 15.94 meters high-jumped 2.15 meters and ran the 400 in 47.90.

On the second day, he ran the 110 hurdles in 14.11, threw the discus 46.80 meters, pole-vaulted 4.70 meters, threw the javelin 77.26 meters and ran the 1,500 in 4:19.76. He had personal bests in the javelin and the 110-meter hurdles.

SPORTS BRIEFS

Cosmos Win Soccer Challenge Cup

EAST RUTHERFORD, New Jersey (AP) — Julio Cesar Romero scored one goal and had two assists as the Cosmos scored a 4-1 victory over the Seattle Sounders Sunday and won soccer's Trans-Atlantic Challenge Cup. In the first game of the final day's doubleheader, Fiorentina of Italy defeated Sao Paulo, 5-3; the winners' Giancarlo Antognoni and Daniel Bertoni each had a goal and two assists.

The Cosmos and Fiorentina finished the round-robin competition with 2-1 records, but the Cosmos won the title on goal differential. It was the second TACC crown for the Cosmos, who have played in the tournament since its inception in 1980.

Woman Marathoner Sets Standard

LOS ANGELES (AP) — Julie Brown of the United States clocked an all-time best of 2 hours, 26 minutes, 24 seconds for a runner in an all-women marathon here Sunday. Relieving starter Mike Rae in the second half, Ramsey completed 11 of 14 races for 101 points.

Leading from the start along the course that will be used in next year's Olympics, Brown finished a half-mile ahead of Christa Vahlensiek of West Germany (2:33.22). Marianne Dickerson of the United States was third (2:33.44). The world marathon record for women is held by Joan Benoit, who ran a 2:22.42 in the 1983 Boston Marathon.

Los Angeles Nips Arizona in USFL

LOS ANGELES (AP) — Quarterback Tom Ramsey, in his professional debut, hit Joe Townsend on a 26-yard scoring pass with 2:38 left to give the Los Angeles Express a 17-13 United States Football League victory over the Arizona Wranglers here Sunday. Relieving starter Mike Rae in the second half, Ramsey completed 11 of 14 passes for 101 points.

In Tampa, Florida, Jimmy Jordan passed for 223 yards and four touchdowns and Gary Anderson rushed for 146 yards on 16 carries in leading Tampa Bay to a 45-17 rout of Birmingham.

And in Philadelphia, Chuck Fusina's three-second-half TD passes rallied Philadelphia from a 14-9 halftime deficit to a 29-20 victory over Michigan.

Redskins' Dean Jumps to USFL

WASHINGTON — Guard Fred Dean has jumped from the National Football League to the new United States Football League.

Washington Redskins' coach, Ron Jaworski, signed Dean to a one-year contract Sunday with the Tampa Bay Bandits. He is expected to play Sunday at Chicago against the Blitz.

A free agent who spurned a \$120,000 offer from the Redskins, Dean will receive a guaranteed \$400,000 over the life of the three-year pact with the Bandits. "It was a tough decision, but the Bandits offered me a deal I couldn't refuse," said the seven-year NFL veteran.

The Redskins "offered me a contract I didn't think good enough," Dean said. "I asked my attorney to look around. He did. Here I am." Said the attorney, Spencer Kopf: "Fred was not even considering leaving the NFL until Washington made that offer."

A Redskin since 1978, Dean originally was drafted by Miami in 1977. He played briefly with both Miami and Chicago before landing in Washington.

Transition

BASKETBALL — American Legion: Bruce Klem, pitcher, on the 21-day disabled list.

MILWAUKEE — Recalled Mark Bradford, outfielder, from Vancouver of the Pacific Coast League. Options Bob Stobbs, outfielder, to Vancouver.

Notched League

CHICAGO — Activated Dickey Nokes, pitcher, and designated Post Maxx, pitcher, on reinstatement.

ST. LOUIS — Recalled Jeff Lofti, pitcher, from Memphis of the American Association. Signed list restored to May 31. Recalled Kevin Heese, pitcher, from Louisville of the American Association.

FOOTBALL

UNIVERSITY OF MICHIGAN — Signed Jim Fassel, coach, to lead the Wolverines.

ARIZONA — Recalled the returning of Bill Bowker Sr., player personnel director. Acquired James Looney, linebacker, on waivers from Chicago.

WASHINGTON — Fired Jeff Lavin, vice president of marketing and operations.

HOCKEY

Westland Hecker League

PHILADELPHIA — Hired Ted Sotocik, assistant coach.

COLLEGE

LOUISIANA ST. — Announced the resignation of Merrill Gorham, assistant track and field coach.

MISSOURI — Named Rich Daly, basketball coach.

Men's Tennis Ranking

United Press International

LONDON — Men's grand prix tennis points standings:

1. Yannick Noah, France, (1) 1,254.

2. Mats Wilander, Sweden, (1) 1,234.

3. Jose Huesca-Sanz, (1) 1,234.

4. Ivan Lendl, Czechoslovakia, (1) 999.

5. Jimmy Connors, U.S.A., (1) 932.

6. Gene Mayer, U.S.A., (1) 781.

7. John McEnroe, U.S.A., (1) 760.

8. Jimmy Arias, U.S.A., (1) 492.

9. Eliot Welles, U.S.A., (1) 225.

10. John McEnroe, U.S.A., (1) 452.

11. John McEnroe, U.S.A., (1) 452.

12. Heinz Günthör, Austria, (1) 452.

13. Arantxa Sanchez Vicario, Spain, (1) 452.

14. Arantxa Sanchez Vicario, Spain, (1) 452.

15. Billie Jean King, U.S.A., (1) 215.

Odd Couples: Flora and Foreheads, a Title — and Deborah

By Dave Kindred
Washington Post Service

WASHINGTON — Fred Couples hit long and wrong a lot, as when he first explored the flora and foreheads of the 15th hole at unforgiving Congressional Country Club Sunday.

An hour later, during a playoff that looked like Saturday morning at the Elk Club, Couples would win his first professional golf tournament and reap the rewards of a \$72,000 check and a priceless embrace from his shy, retiring wife, Deborah — who, with cowboy hat, plaited hair, electric-blue minidress, four turquoise bracelets and 10 red-painted toenails, raced through a sand trap to leap into her hubby's arms.

"Babycakes, I loveya," said demure Deborah Couples.

But that's a little ahead of the story, for however many times Couples lost the Kemper Open on a day when Congressional administered so much of what the pros call BDOTG (birdie damage on the greens) that a hundred players headed babbling for T.R.R. (the robber room), the young slugger first won this tournament on the 15th hole when he hit his tee shot long and wrong into the left-side woods.

He bopped his second shot off a pine tree. The ball ricocheted backward, landing in the fairway.

From that golden spot, Couples lashed a long iron that flew long, long — and this time there was a report that sounded like a Tibetan boulder off a manhole cover.

Investigators learned that Couples's errant ball had clanged off the forehead of spectator Bob Hazard, 50, who doffed his Wild Turkey whiskey cap to reveal a dimpled bump a-growing.

"Thank you very much, sir," said Deborah Couples.

"Didn't even feel it," Hazard said.

"Just wish it would've been off me and onto the green instead of in that trap."

By bopping it off one Hazard, though, Couples avoided the greater hazard of again venturing into Congressional's nobile pines, where bold explorers report unearthing the bones of unfortunate who thought they could find that damned ball and make a par.

As he set up for his shot, Deborah Couples whispered, "Ricochet off trees, ricochet off Bob's head — now ricochet into the hole."

Helped by his first shot, Couples settled for a bogey 6. At the time, a bogey seemed disastrous, because the 15th is Congressional's only birdie hole once you pass the 11th.

But in the rarefied atmosphere of a \$400,000 tournament on a course stronger than a wairer's dirty socks, a single shot saved, whether by skill or fortune, can be the shot that lets you live to shoot again — perhaps as one of the gang in a five-way playoff for a championship that everyone wanted to win, but nobody could.

Congressional is 7,173 yards. At daybreak, the devil rose to cut the

holes into the greens. To win under a Sunday's pressure at such distance with such diabolical pin placements, only those whose feet have been to the fire a hundred times can get home in par-72.

Let's say you're Fred Couples, 23, a nonwinner. Or you're one-time winner Scott Simpson, 27. Or you're T.C. Chen, 24, over from Taiwan as a rookie, with a few louts in the crowd cheering your mistakes. All the pressure heat up on the last few holes," Couples said.

It was warm earlier, too, for these three shot 77, 77 and 76.

Under those circumstances for those men, small victories assume heroic proportions. For Couples, a 330-yard drive on the 18th after a bleeding bogey at the 17th was such a victory. It gave him a wedge to set up a birdie, which he said he needed to catch Simpson, the feaster. But Couples left the wedge 30 feet short.

"That's the crystal Freddie's going to win for me," Deborah Couples said when she noticed the tournament trophy glistening in the fading sunlight.

Couples's first putt was miserably short, a loser's decelerating stroke, and with Simpson facing a four-foot putt to win, Couples knocked in his four-footer first. "The way things were going, it looked like 10 feet," said Couples. "But it looked like Scott would make his, so there wasn't so much pressure."

Not on him, anyway. Four feet from victory, Simpson left the putt to the right of the hole. Simpson said he missed it. Couples said he pushed it.

"Freddie," his wife called out. "You can win it! You can win it!" She jumped lot.

By then, Congressional had won. The weather was perfect. The course was in beautiful condition. "It's an Open course," Couples said, meaning it is a full examination of a golfer's skill and will. Although he described his work with words such as "struggling" and "choking," Couples considered a 77 a passing grade for a kid learning to win.

The playoff, which also included Gil Morgan and Barry Jackel, began at No. 15, where this time Couples had a par, as did three others (Jackel exited with a bogey).

And when Couples's 5-iron at the 183-yard par-3 16th described an arc suggesting something wonderful would happen, his fair lady raised her turquoise necklace as she leaped up to extort, "Wayago, Freddie, Wayago! C'mon! C'mon!"

The ball stopped 18 inches from the hole.

"Hey, Mrs. Couples," a voice called out from high in a tree near the 16th green. Word gets around.

She'd been home last week in LaQuinta, California, where she is a teaching tennis pro. She'd watched the Kemper's third round on television Saturday. "Freddie looked different, so determined," she said.

"He'd always been carefree before.



For the Kemper winner, \$72,000 and a priceless embrace.

United Press International

Home Run by Johnstone Helps Cubs Stretch Winning Streak to Five

Compiled by Our Staff From Dispatches

CHICAGO — Jay Johnstone's three-run home run in the fifth inning triggered a three-run rally that sparked the Chicago Cubs to their fifth straight victory, a 3-1 decision over the Pittsburgh Pirates here.

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ART BUCHWALD

Let the Buyer Beware

WASHINGTON — The Department of Agriculture has just reported that it will cost \$80,260 to raise a child born this year until it reaches age 18.

This seemed like a lot of scratch to Carter Brown, a friend of mine, who is expecting a child very soon. So he went down to the Department to see what he was going to get for his money.

"It's really going to cost me \$80,260 to raise a child until it's 18," he asked the man behind the desk.

"It's a bargain," the man told him. "Eighteen months ago we projected it would cost \$134,414. But that was when we included an 8 percent inflation rate. Our \$80,000 figure is based on no inflation dollars."

"What does the \$80,000 cost include?"

"Just the bare-bone items such as \$17,000 for food, \$27,000 for housing, \$13,000 for transportation and the rest for miscellaneous items such as medical costs and shoes."

"I don't imagine you included orthodontic work in your estimate?" Brown asked.

"You have to be kidding!" the man roared with laughter. "If we included what it will cost for serious dental work no one would have a baby."

"What other items did you fail to include in your report, so I won't be surprised?"

The man looked at his list. "Well, in the early years of the child's upbringing you'll probably be able to stay within the \$80,000 figure. But as your offspring goes into its teens, you could get into serious financial overruns."

"Such as?"

"The department did not include in its report the cost of such teenage necessities as hi-fi equipment, movie and rock concert tickets, sports equipment, computers, weekend parties, guitar lessons, Christmas, arcade games and insurance."

"Why not?" Brown asked. "They seem to be as essential as food, housing and transportation."

"Because we have them down as options. Some parents prefer a stripped-down child and others prefer to add everything that's on the market."

"If I pay the basic price of \$80,000 to raise a child for the next 18 years, plus all the extras that you've mentioned, is there any guarantee it will turn out all right?"

"There is no warranty with the price whatsoever. You pay your money and you take your chances. We don't guarantee any more than when it gets to be 18, it will be able to read and write. Frankly you'll be lucky if it volunteers to cut your lawn or do the dishes once a week. And if you think for \$80 grand it's going to clean up its own room, you're living in a dream world."

"It sure seems like a big investment to get so little in return."

"The Department of Agriculture is not recommending you have a baby. Our job is just to report what it will cost you to raise one. The \$80,000 is our official figure. The other items I tipped you off on are unofficial, based on my own experience as the father of three teenagers. I didn't include the price of collect long-distance telephone calls during the first 18 years because I didn't want to scare you."

"So if I add in all the extras I can easily wind up spending \$200,000," Brown said.

"That's a good ballpark figure unless you or your wife have to seek psychiatric care while raising your child."

"Well, I guess \$200,000 is not an unreasonable sum of money to invest until a child reaches 18 years old."

"It's actually a steal," the man from Agriculture said. "When your kid reaches 18, it's going to cost you that much just to send it to college."

Cats' Wins 7 Tonys

United Press International
NEW YORK — "Cats," the \$5-million musical based on T.S. Eliot's "Old Possum's Book of Practical Cats," has won seven Tony awards, including best musical and an award to Eliot for best musical book. Mrs. T.S. Eliot accepted the award Sunday for her husband, who died in 1965. Other winners for "Cats" included Trevor Nunn for best director of a musical and Andrew Lloyd Webber for original musical score.

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